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**CITY OF LEAWOOD, KANSAS**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
*For The Year Ended December 31, 2009*

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*Report prepared by Department Of Finance*

*Kathleen M. Rogers, Finance Director*  
*Dawn Long, Assistant Finance Director*  
*Theresa Lodde, Senior Accountant*

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## Introductory Section

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# City of Leawood

4800 Town Center Drive • Leawood, Kansas 66211 • (913) 339-6700  
(913) 339-6781 Fax

April 12, 2010

The Honorable Mayor, Members of the City Council  
and the Citizens of Leawood, Kansas:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RubinBrown, LLP, Certified Public Accountants, has issued an unqualified opinion on the City of Leawood's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## ***Profile of the Government***

The City of Leawood is located approximately 10 miles southwest of downtown Kansas City, Missouri, and occupies 14.7 square miles of land in northeastern Johnson County, Kansas. The City estimates its 2009 population to be 32,548. Johnson County encompasses 476 square miles and with a 2009 estimated population of 545,000 is the most populous county in the State of Kansas. The City's land area is approximately 75% developed, and growth is expected to continue. The City is bounded to the east by the Kansas-Missouri state line and on all other sides by incorporated cities of Johnson County.

*"As a growing city,*

*Leawood continues to*

*contribute to Johnson*

*County. The county is one*

*of the leading local*

*economies in the Midwest,*

*making it a premier*

*business location in the*

*nation. It ranked 7<sup>th</sup> out of*

*3,141 counties in the nation*

*for overall quality of life*

*according to an analysis by*

*American City Business*

*Journals.*

Source: 2009-2010 Community  
Resource guide and Chamber  
Directory

The City of Leawood was incorporated as a city of the third class in 1948 with slightly more than 1,000 inhabitants. On December 31, 1998, the City became a city of the first class. The City operates under a Mayor-Council form of government with a City Administrator.

The Mayor is elected on an at-large, non-partisan basis and serves a four-year term. The eight council members are elected (non-partisan) by ward and serve four-year staggered terms of office. Every other year in the even numbered years, an election for council members is held with one council member from each of the four wards being chosen at each election.

The City Administrator is appointed by the Mayor and City Council as the Chief Administrative Officer of the City and is charged with the efficient and effective administration of the City.

The City of Leawood provides a variety of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities.

As required by Generally Accepted Accounting Principles (GAAP) in the United States of America, the only basic financial statements presented are the City's (the primary government) and one blended component unit. Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Leawood Public Building Commission is reported in the Public Building Commission Special Revenue Fund.

The Shawnee Mission Unified School District No. 512 and the Blue Valley Unified School District No. 229 provide public education services. Johnson County Water District No. 1 provides water services. It should be clearly noted that these self-government entities are not part of the City of Leawood.

By Kansas law, the budget must be approved by the Council and submitted to the County Clerk by August 25<sup>th</sup> of each year. This annual budget serves as the foundation for the City of Leawood's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need approval from the City Administrator.

*Leawood's first city election  
was held January 18, 1949.*

*The voters chose their first  
mayor, R.G. Bentrup as well  
as five city council*

*members, a city clerk, a city  
treasurer and a police  
judge.*

*Since the first mayoral term  
of 1949 to 1951, Leawood*

*has had 18 Mayors,*

*including the current*

*Mayor, Peggy Dunn. Mrs.*

*Dunn has served as Mayor*

*since 1997 and served as a*

*City Council member for*

*four years prior. Today the*

*Mayor and the eight City*

*Council positions are the*

*only elected positions.*

Source: Leawood, A Portrait In  
Time

### ***Local economy***

Because of Leawood's location in a region with a varied economic base, the unemployment rate is at a modest 4.0 percent. During the past ten years, the unemployment rate was at a decade low of 1.5 percent (2000), only to gradually ascend to the current rate of 4.0 percent. The direction of the change in the unemployment rate has mirrored the national economy

During the past ten years, total expenditures on average have increased at an annual rate of 5%. Operating expenditures increased 5.5% overall, with general government at an annual rate of 7%, public safety at 6%, public works at 0%, and parks and recreation is by far the fastest growing at 13%. Capital outlay has grown at 1%, and debt service has increased on average 5%.

General government includes much of the staff necessary to support the daily operations of the city including finance, legal, information services, and human resources. Additionally, code and building enforcement and planning are part of this sector and are an integral part of the quality of growth and the overall quality of the community.

A number of public safety positions have been added to manage this aspect of growth. With the emergence of Leawood as a shopping, recreation and dining destination, the life safety of our residents, businesses and visitors is very important. The additional cost for public safety comes from an increase in demand for services and associated personnel costs.

The Public Works budget has managed to stay flat over the past ten years, which is lower than the other divisions of the City. Significant work to the City streets has also taken place during this ten year period, including an accelerated street renovation program that began in 2004. It is the goal of the Governing Body to reduce the backlog of streets that do not meet a pavement condition index (pci) rating of not less than 70% within the next ten years.

Debt service increased 5% over the last ten years as the city has continued to build many of its buildings, parks and other amenities. During the last ten years, the City has invested considerable funds for new amenities in many areas of Leawood, notably in the Parks and Recreation Department. Correspondingly there has been an increase in the growth of the Parks and Recreation operating budget.

*After incorporation and until 1953, the City Council met in the Kroh Brothers' barn where they kept lumber and paint. In 1953, the City began renting land and the small, colonial-style City Hall building from Kroh Brothers for \$250 a month. The City later purchased this property at 96<sup>th</sup> & Lee Boulevard. City government operated from that location until 1994, when the new City Hall opened at 4800 Town Center Drive.*

Source: Leawood, A Portrait In Time

### ***Long-term financial planning***

The unreserved, undesignated fund balance in the general fund (49.8% of total general fund expenditures) falls well above the policy guidelines set by the Council for budgetary and planning purposes (i.e. between 8.33 and 15 percent of total general fund expenditures).

The City's continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City's strong financial position. The City Council has wisely taken advantage of the past years' financial prosperity to secure the future stability of the City. The conservative budgets that were passed in prior fiscal years have contributed to this overall financial philosophy.

### ***Relevant financial policies***

There was no significant change in existing City financial policies.

### ***Major initiatives***

Historically, 2009 will be remembered for a variety of reasons; and while history is for looking back upon and analyzing what has transpired, the City of Leawood is looking ahead to what our future holds.

While it is true that the City of Leawood did experience a reduction in revenues in 2009, prudent financial management by the City's department heads resulted in expenditure reductions of the same amount. This was achieved by implementing similar tactics being utilized by other private and governmental entities.

The addition of new employee positions has been suspended and will continue to be suspended with re-evaluation done in 2011. Furthermore, every existing position that becomes vacant is being critically assessed and delayed up to six months before being filled.

Projects that are funded solely with City of Leawood dollars are being deferred for the near-term, and the City staff is aggressively pursuing cost-sharing opportunities at the federal and state level for eligible projects. Also, every City staff member is being asked to work harder to achieve greater operational efficiencies in their daily tasks without sacrificing the quality of their service levels.

The City's reserve funds remain strong and the City's AAA bond rating, held by only two cities in the State of Kansas, was reaffirmed by Moody's Investors Services this past September.

### ***SUSTAINING THE FUTURE***

*Leawood has the fourth*

*highest home values in*

*Johnson County, Kansas.*

*The average home is*

*appraised a little over*

*\$442,000;reflecting*

*homeowners' demand for*

*the kind of housing*

*Leawood offers – everything*

*from elegant, stately older*

*homes, to exclusive estates,*

*to newly constructed higher-*

*end subdivisions. Leawood*

*is proud to be home to many*

*of the Kansas City*

*metropolitan area's most*

*upscale neighborhoods.*

Source: 2009-2010 Community  
Resource Guide and Chamber  
Directory

Therefore, despite the recent financial setbacks in both the private and public sectors, the City of Leawood and its business partners are moving forward with increasing financial strength every day. We are leading the way to let everyone know that as far as we are concerned, the past year is a fading memory and we are building a bridge to prosperity and getting over 2009 to meet the challenges and opportunities of 2010 head on.

Last year, *Bizjournals*, the online division of the *American City Business Journals*, and parent company of the *Kansas City Business Journal*, performed a wealth center analysis for over 2,000 cities and towns across the nation.

According to the article, and I quote, “.... come and listen to a story 'bout a City named Leawood: in a study of affluence it ranks pretty good....” Number 44, in fact.

The reason for the jingle in the article is that following Leawood at number 45--- is Beverly Hills, California. (It's nice to be ahead of the Beverly Hillbillies!)

While the City of Leawood is in the top 2% of wealth centers in the United States, we are also very good at making sure that the City's residents' wealth stays where it belongs --- in their pockets.

Among the Kansas cities of the First Class, Leawood's individual and overall property tax mill levy rate is the 3<sup>rd</sup> lowest in the State. Our level of property taxation is a major factor in drawing private sector investment to our community. This is evident by the continuing development of Park Place. In 2009, Park Place opened the City's first hotel, the Aloft. The six story hotel is very contemporary and spacious in its design and caters to business travelers.

Adjacent to the Aloft hotel and building upon its contemporary theme, the RA Sushi Bar and Restaurant combines the tradition of sushi restaurants with a lively venue. Two other new bistro-style restaurants that are soon to be located at Park Place are Café Roux, a Cajun-themed eatery and Carmen's Café, serving Italian cuisine with a Latin flair.

Park Place also added SFP World Headquarters, an agricultural enrichment company; ZTE USA, a global telecommunications provider; and Tortoise Capital Advisors to their ever-growing commercial office lineup.

## AAA

*Moody's highest AAA rating*

*Reflects the City's affluent*

*tax base in the Kansas City*

*metropolitan area; well*

*managed financial*

*operations that are expected*

*to continue despite budgeted*

*transfers from the General*

*Fund; alternate liquidity*

*provided by the city's*

*Capital Fund reserves; and*

*debt levels that are expected*

*to remain affordable.*

Source: Moody's Investors  
Service, September 3, 2009

There have also been some new retailers added to the mix at Park Place. These include Bella B's Boutique, an upscale and trendy clothier for women; Bella Bambino, specializing in new fashions of maternity wear and children's clothing; CA Men's Fine Grooming; Michael Shae Salon; Hathaway Shoes and Dan's Clothier & Tailor. A lastly, another metro retailer, Cupcake a la Mode opened their second location in Park Place.

Phase two of construction for Park Place has commenced. This phase consists of 115,000 square feet of retail space, 64,000 square feet of office space and a 418-vehicle parking structure.

Finally, with regard to Park Place, it received the 2009 Capstone Award for mixed-use developments from the *Kansas City Business Journal*.

In 2009 the *Kansas City Business Journal* also awarded the Capstone Award for retail to the One Nineteen Shopping Center. Contributing to the receipt of that award for One Nineteen were the recent announcements of two new tenants, Destination Maternity and Republic of Couture.

This marks the first time in the City of Leawood's history that two development projects have received this prestigious award in the same year.

Mission Farms, located at 107<sup>th</sup> and Mission Road, was featured in the October issue of *KC Magazine* in an article describing how new urbanism is growing in popularity in the heartland of America. While this vibrant development is expanding to the west side of Mission Road in Overland Park, the entire project will be a dynamic addition to both Cities upon its completion.

With regards to thriving businesses, Leawood's restaurant scene is setting the pace for the entire Kansas City metropolitan area in terms of quality dining options making Leawood the dining destination for the region.

While the direct benefits of our numerous restaurants to the community are obvious, the secondary financial impact of drawing customers for our other retail establishments should not be underestimated or overlooked.

Clearly what is not overlooked is the commitment to excellence that is demonstrated by the City's restaurateurs as noted by *KC Magazine* and *Ingram's*.

*In November 1949,*

*Leawood bought a 1949*

*Ford Central 500-gallon-per-minute pumper. Brook*

*Beatty volunteered to serve*

*as the City's first Fire*

*Chief. In 1958 the Leawood*

*Fire Department welcomed*

*Its' first paid firefighter. By*

*1971 the department had 12*

*paid firefighters and 10*

*volunteers. Today the*

*department is staffed by 54*

*paid firefighters and 2*

*volunteers.*

Source: Leawood, A Portrait In Time

*KC Magazine's* annual edition of the "Best of Kansas City Restaurants" listed JP Wine Bar and Zest as two of the top five "best new restaurants" in 2009. The Hereford House was rated as the "best steakhouse." The Bristol and Bonefish Grill were recognized as two of the top five "best seafood restaurants." Blanc Burgers + Bottles emerged on the restaurant scene as one of the top five "best local burger establishments" and Cactus Grill was selected as one of the top five "best Mexican restaurants."

In their "Best of Business" 2009 edition, *Ingram's Magazine* solicited its readers for their opinions as to the "best wining and dining establishments" in the Kansas City metropolitan area and ranked the results by assigning a gold, silver or bronze rating. As expected, several Leawood restaurants were prominently identified.

The Bristol received the gold for "Best Seafood" and "Best Restaurant in Johnson County," silver for "Best Overall Restaurant" and the bronze for "Best Business Lunch." The Hereford House received the silver for "Best Places to Eat with a Group" and the bronze for "Best Steak." JP Wine Bar received the silver and Trezo Vino received the bronze for the "Best Wine List." Zest received the gold and Blanc Burgers + Bottles the bronze for "Best New Locally-Owned Restaurant." Finally, North received the gold for "Best New National Chain Restaurant."

2009 also saw the addition of two new restaurants at the Cornerstone Development---Tannahs Restaurant, specializing in Asian/American cuisine, and the Gaslight Grill, a European-themed restaurant where the customers can enjoy listening to Lynn Zimmer and the Jazz Band.

Across the street at Parkway Plaza, the Blue Fin, an Asian fusion restaurant and Sumo, a Japanese steakhouse and sushi restaurant, have opened their doors for business.

A little further to the south, at the Ironhorse Center, the Blue Moose Restaurant is satisfying its customers with the same traditional fare as served at their other location in Prairie Village.

Looking northward, Leawood residents no longer have to leave the confines of their City and venture into Prairie Village to enjoy the hominess and warmth of O'Neill's Restaurant and Bar. It is now located at the Ranchmart Shopping Center on the north side of 95<sup>th</sup> Street. While the location is new, the décor and menu retained what has worked quite successfully for the owners for the past decade.

## *SUPERIOR AMENITIES*

*For lunch breaks and after-hours enjoyment, over 40 area restaurants offer a multitude of food choices in a variety of dining environments, certain to fit any appetite or budget.*

Source: 2009-2010 Community Resource guide and Chamber Directory

There were, of course, other businesses that located in Leawood in 2009. These include Massage Heights and Emergent Care Plus at Parkway Plaza; Capital Federal Bank at the Nall Valley Shops and another at the Village of Seville Shopping Center; M & I Bank at Villaggio; Vico's, an upscale woman's clothing and accessory shop and Exclusive MD at Mission Farms; Cruise Planners at 103<sup>rd</sup> Street and State Line Road; and Monarch Plastic Surgery Center in Plaza Pointe.

Johnson County reinvested in Leawood in 2009 through their expansion and renovation of the Pioneer Library located next to Leawood City Hall. The \$5.7 million project added 8,000 square feet to bring the total building size to almost 20,000 square feet. The library's seating capacity was almost doubled, and a new meeting room is now available for the public to use.

In 2009 the City of Leawood expanded its public facilities with the completion of Gezer Park in its park system. This 10 acres of donated parkland, located at 133<sup>rd</sup> Street and Mission Road, was officially opened and dedicated this past October to recognize our sister city relationship with the Gezer Region of Israel.

The park is home for two of the City's five newest pieces of art that were added to the City's inventory in 2009. "Stones and Steps," by Ilan Averbuch, rises from the pond symbolizing the Dead Sea on the eastern end of the park. The "Gezer Calendar" is a large reproduction of a tablet found in Tel Gezer, an archeological site in central Gezer, depicting the planting seasons for the area. It is believed to have been inscribed in 1,000 B.C.

Mayor Peter Weiss led a delegation from the Gezer Region to be present for the park's dedication ceremony which included the tablet sculptor, Gadi Fraiman.

The delegation visit and the park dedication this past year forged the strongest bonds that have ever existed between us and our municipal family from Israel, and we look forward to strengthening them even further in the years to come.

A significant benchmark for the well being of a city is the desire of its residents to volunteer their time for humanitarian purposes or be recognized for their personal efforts to improve the lives of others. In 2009, many of our citizens demonstrated their willingness to make the world we live in a better place for all.

*Leawood parks system*

*consists of four parks;*

*Brook Beatty Park,*

*Tomahawk Park, I-Lan*

*Park, and Ironwoods Park.*

*A fifth park, Gezer*

*Park, was recently*

*completed.*

Source: Leawood, A Portrait In  
Time

Singling out a few individuals for extraordinary service, Leawood residents Fred and Carol Logan were named “Volunteers of the Year” by the Volunteer Center of Johnson County for their involvement with a variety of educational and cultural endeavors throughout the metropolitan area.

Bob Lippold was featured in *The Kansas City Star* regarding his exceptional volunteer efforts with a Catholic Charities food pantry.

Colonel Ronald Wright, a Leawood dentist and Leawood Foundation Board Member, was spotlighted in the senior publication, *The Best Times*, for his willingness to serve in Iraq at the young age of 66 to assist in a dental clinic.

Alice Hawk, Chair of the Leawood Foundation Board and member of the Leawood Historic Commission, was recognized by the Women’s Foundation of Greater Kansas City in their 2009 edition of “Celebration of Women” for her dedicated community service to Leawood and a variety of other organizations.

Kansas State Senator and Leawood resident, John Vratil, received the 2009 “Distinguished Public Service Award” from United Community Services of Johnson County in acknowledgement of his extensive commitment to education and remarkable public service.

In 2009, several Leawood residents were also honored for a diverse array of community activities.

Ahmed el-Sherif was the recipient of the 2009 “Steve Jeffers Interfaith Leadership Award” from the Greater Kansas City Interfaith Council for his efforts to promote religious tolerance and for the founding of Shifa International, a humanitarian organization dedicated to medical relief.

Leawood resident Joyce Hayhow, publisher of the *Kansas City Business Journal*, was honored as the 2009 “Woman of Distinction” at the Go Red For Women luncheon sponsored by the American Heart Association for her commitment towards women’s heart health and her “Women who Mean Business” program.

Roger Kemp received the “Presidential Citation Award” from the State of Kansas Recreation and Parks Association for improving the quality of life for citizens through his efforts with the Ali Kemp Foundation.

*“Growing with Distinction”*

*is a fitting motto for a city*

*whose landscape is now*

*rich with life. Leawood,*

*once a barren canvas, is*

*now a spectacular work of*

*art. Its many artists of the*

*past half century have*

*painted a strong foundation*

*to which future artists will*

*add their own unique*

*perspectives.*

Source: Leawood, A Portrait In  
Time

Jack Murphy, son of John and Bridget Murphy, received the Blue Valley North High School “Sunflower Ambassador Award” for his demonstration of outstanding character and personal growth and truly living the Blue Valley virtues of compassion, courage, honesty, perseverance, respect, responsibility and self-discipline.

And finally, Youthville, a Kansas child welfare agency, honored Dr. Jack and Dr. Carol Daniel as “Foster Parents of the Year” for Northeast Kansas in recognition of their commitment to foster parenthood by raising eight adoptive children – seven of which are now grown and not living at home. The couple has decided to adopt five more children in the near future.

While the past year has not been without challenges for our Nation and many in our community, the City of Leawood within Johnson County has maintained a good quality of life. Leawood is, indeed, fortunate. Together we will work hard to sustain our strengths as we continue moving forward on our path of “growth with distinction.”

#### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leawood for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. The City has received this prestigious award for twelve consecutive years. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and are submitting it to the GFOA to determine eligibility for another certificate.

In addition, the government also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document dated January 1, 2010. In order to qualify for the Distinguished Budget Presentation Award, the government’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

#### ***EXCELLENCE IN EDUCATION***

*Nationally ranked public  
and private schools along  
with highly rated area*

*colleges and universities are  
the reason area residents  
and employers give*

*Leawood area schools an*

*A+ for quality education.*

#### ***Expansion Management***

*Magazine ranked the Blue*

*Valley School District and*

*the Shawnee Mission School*

*District among the very best*

*districts in its annual*

*Education Quotient.*

Source: 2009-2010 Community  
Resource guide and Chamber  
Directory

The Honorable Mayor, Members of the City Council  
and the Citizens of Leawood, Kansas

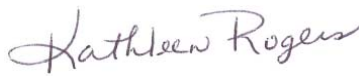
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We wish to take this opportunity to thank each member of the Governing Body for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. In closing, the preparation of this report was not accomplished without the efficient and dedicated services of key staff in the Finance Department as well as other City departments who assisted and contributed to its preparation. Thank you to each individual involved.

Respectfully submitted,



Scott Lambers  
City Administrator



Kathleen M. Rogers  
Director of Finance



**FRONT ROW** [left to right]:  
Councilmember Jim Rawlings, Ward 2  
Councilmember Mike Gill, Ward 3  
Mayor Peggy Dunn  
Councilmember Julie Cain, Ward 4  
Councilmember Lou Rasmussen, Ward 2

**BACK ROW** [left to right]:  
Councilmember Debra Filla, Ward 1  
Councilmember Gary Bussing, Ward 3  
Councilmember Gregory Peppes, Ward 1  
Councilmember James Azeltine, Ward 4

*For much of the early  
development of Leawood,  
the architect was Kroh  
Brothers Realty, a  
development firm whom  
began developing land in  
Johnson County in 1932.  
Their plan for Leawood  
envisioned a community  
which would offer people  
the chance to live far  
enough away from the  
hustle and bustle of City life  
to ensure tranquility, but yet  
close enough to the City to  
guarantee convenience.*

Source: Leawood, A Portrait In  
Time

# **CITY OF LEAWOOD, KANSAS**

---

## **PRINCIPAL OFFICIALS**

### **Mayor**

Peggy J. Dunn

### **City Council**

Debra Filla  
Greg Peppes  
Louis Rasmussen  
Jim Rawlings  
Gary Bussing  
Mike Gill  
Julie Cain  
James Azeltine

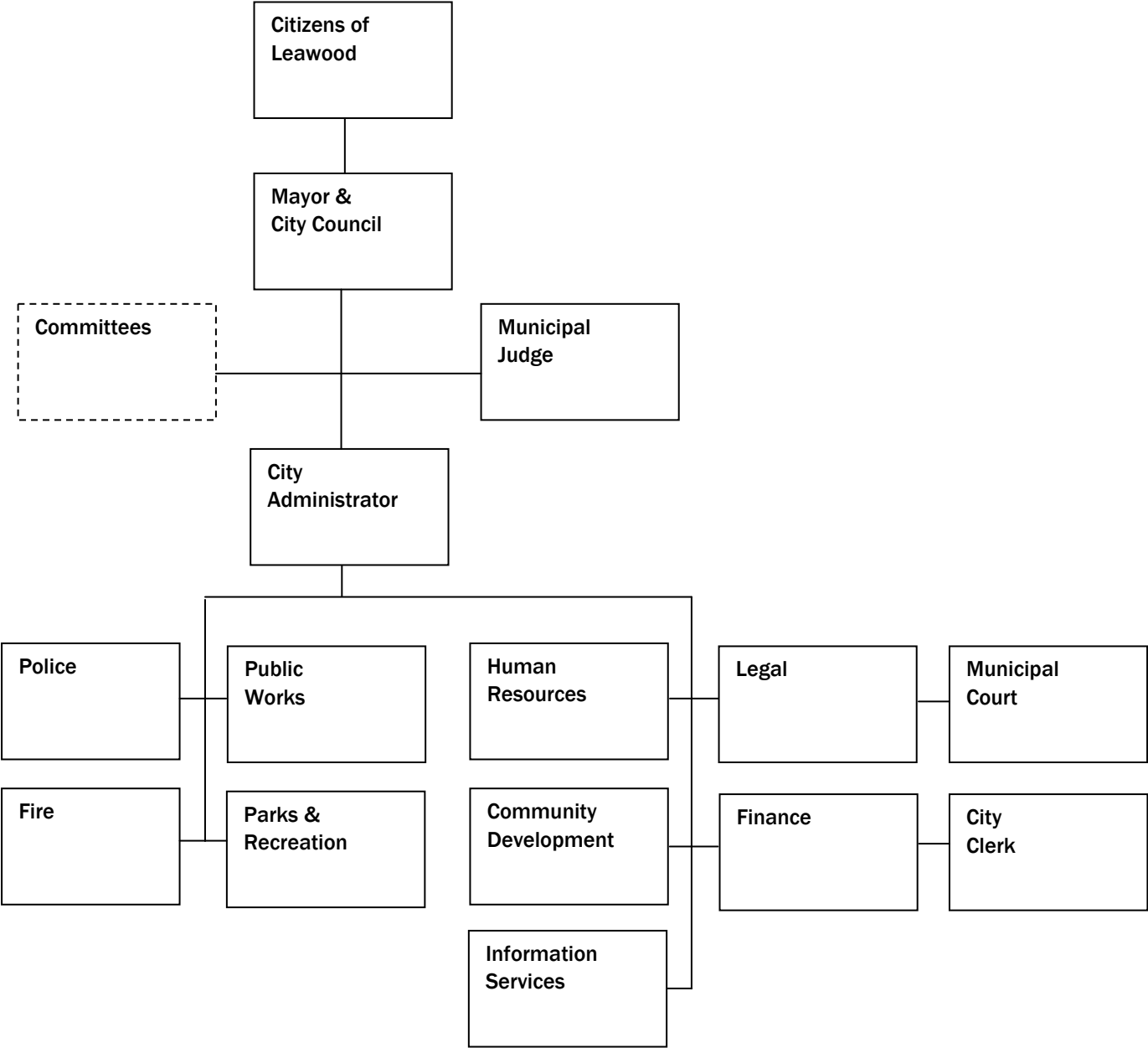
### **City Administrator**

Scott M. Lambers

### **Prepared by Department of Finance**

Kathleen M. Rogers, Finance Director  
Dawn Long, Assistant Finance Director  
Theresa Lodde, Senior Accountant

**CITY OF LEAWOOD, KANSAS  
ORGANIZATIONAL CHART**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Leawood  
Kansas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

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A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director

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## Financial Section

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## **Independent Auditors' Report**

The Honorable Mayor and Members  
of the City Council  
City of Leawood, Kansas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Leawood, Kansas (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Leawood, Kansas as of December 31, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 17, the Budgetary Comparison Information on page 52, the Schedule of Funding Progress on page 53, and the Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals on page 54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules - supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules - supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*RubinBrown LLP*

April 12, 2010

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## **Management's Discussion And Analysis**

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# CITY OF LEAWOOD, KANSAS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended December 31, 2009

The following Management Discussion and Analysis (MD&A) of the City of Leawood's financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended December 31, 2009. This narrative discussion and analysis focuses on the current year's activities, resulting changes and currently known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

#### Government-Wide

- The assets of the City exceeded its liabilities at December 31, 2009 by \$335.1 million (*net assets*). Of this amount, \$31.4 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3.4 million as a result of current year's operation. This increase was primarily due to the completion of projects and acquisition of capital assets donated from developers.
- Expenses were \$37.8 million greater than program revenues generated for governmental activities. Taxes, return on investments and other income for \$41.2 million provided sufficient funding for City-wide programs and resulted in a surplus of \$3.4 million for the fiscal year ended December 31, 2009.

#### Fund Based

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$36 million. Net changes in fund balances for governmental funds were \$1.8 million. Approximately 51% of the combined fund balances, or \$20.7 million, represents unreserved fund balance, 29.8% of which has been designated for future projects and needs of the City.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14.6 million, or 49.8% of the total General Fund expenditures.
- During the year the City held temporary notes of \$19,870,000. There was no long term debt issued during the year. It is anticipated that most of the temporary debt will be converted to longer term debt in 2010.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Leawood using the integrated approach as prescribed by GASB Statement No. 34.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases* or *decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

All of the City's basic services are reported in the governmental activities, including the General Government, Public Safety, Public Works and Parks and Recreation. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities. The City does not report any business-type activities.

The government-wide financial statements can be found on the pages immediately following this section as the first section of the Basic Financial Statements.

**Fund Financial Statements**

The Fund Financial Statements include statements for each of the two categories of activities: governmental and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds, which report a balance sheet, a statement of changes in assets and liabilities and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

## **CITY OF LEAWOOD, KANSAS**

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### Management's Discussion And Analysis (*Continued*)

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**Governmental Funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of net assets in the Governmental Fund Financial Statement to that reported in the Government-Wide Financial Statements are explained in the reconciliation schedule following each of the Governmental Fund Financial Statements.

The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

**Fiduciary Funds** - The City is the trustee, or *fiduciary*, for certain funds held to account for activities reported in this category which include the receipt of special taxes and assessments used to pay principal and interest on related bonded debt that has no direct City liability, as well as receipt and disbursement of capital project proceeds related to these bonds. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Combining Schedule of Changes in Assets and Liabilities.

The fiduciary fund Statement of Fiduciary Net Assets can be found in the Basic Financial Statements section of this report. The Combining Schedule of Changes in Assets and Liabilities can be found in the Supplementary Information section of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are presented immediately following the Basic Financial Statements section of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide other post employment benefits to its employees, budgetary comparison schedules for the general fund, and schedules and disclosure of the modified approach for reporting the City's streetlights and traffic signals.

## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

Combining and individual statements for non-major governmental and proprietary funds and fiduciary funds are presented in the Supplementary Information section of this report.

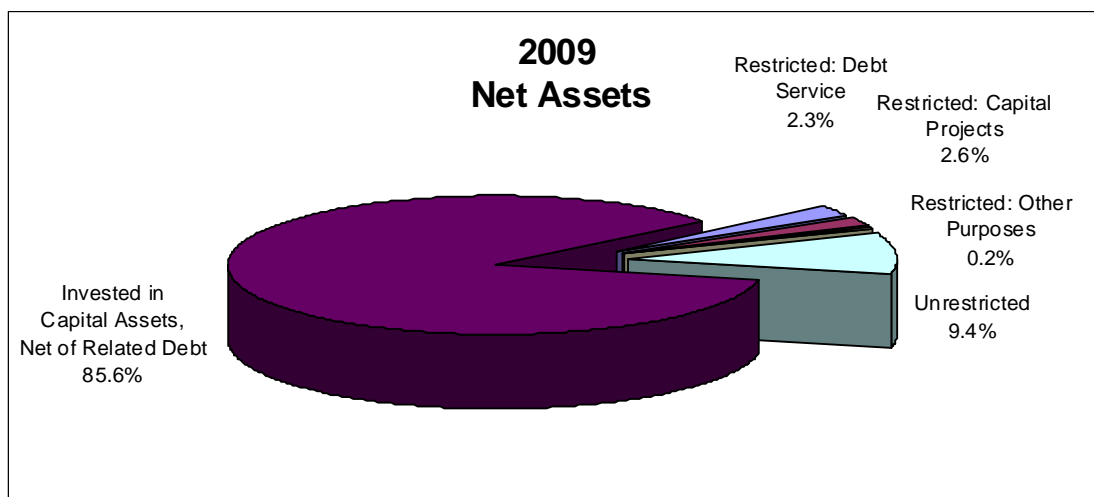
### GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis focuses on the City's net assets and changes in net assets of the governmental activities for the fiscal year ending December 31, 2009.

As noted earlier, the net assets for the City as a whole increased 1% from \$331.7 million at December 31, 2008 to \$335.1 million at December 31, 2009. The largest portion of the City's net assets (85.6%) reflects the investment in capital assets such as land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to the citizens of the City of Leawood; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (5.1%) represents various resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31.4 million) may be used to meet the City's ongoing obligations to citizens and creditors.

The following graph demonstrated the component of the City's net assets at fiscal year ended December 31, 2009.



Consistent with the prior fiscal year, as of the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole.

## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

The following schedule is a condensed version of the City's statement of net assets for the years ended December 31, 2009. Comparative data from fiscal year ended December 31, 2008 is also presented.

#### City of Leawood's Net Assets

	<u>Governmental Activities</u>		
	<u>2009</u>	<u>2008</u>	<u>Change</u>
Current and other assets	\$ 70,229,629	\$ 70,913,108	\$ (683,479)
Long-term receivables	13,023,964	14,359,474	(1,335,510)
Capital assets, net	340,688,695	343,912,525	(3,223,830)
Total assets	423,942,288	429,185,107	(5,242,819)
Other liabilities	33,050,688	35,473,651	(2,422,963)
Long-term debt	55,820,645	61,990,513	(6,169,868)
Total liabilities	88,871,333	97,464,164	(8,592,831)
Net assets:			
Investment in capital assets, net of related debt	286,691,065	284,021,388	2,669,677
Restricted	16,949,599	14,395,674	2,553,925
Unrestricted	31,430,291	33,303,881	(1,873,590)
Total net assets	\$ 335,070,955	\$ 331,720,943	\$ 3,350,012

## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

The City's programs for governmental activities include general government, public safety, public works and parks and recreation. A comparison of each program's revenues and expenses for the current year and prior year is presented below.

#### City of Leawood's Changes in Net Assets

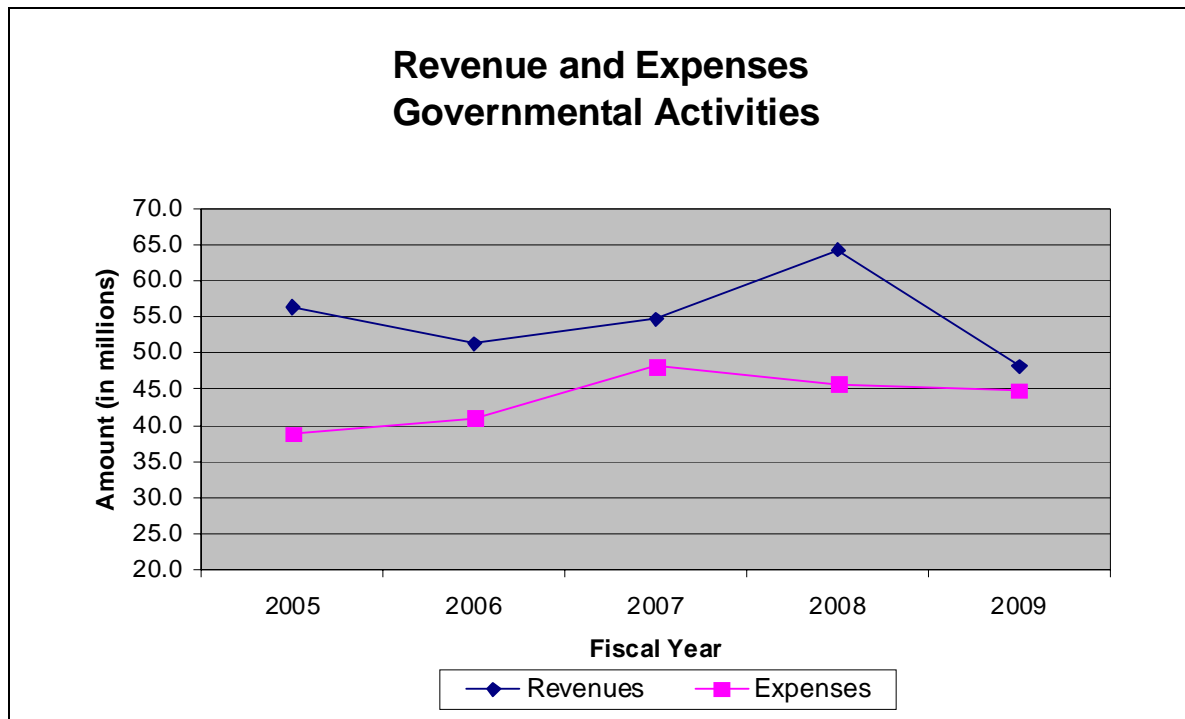
	<u>Governmental Activities</u>		
	<u>2009</u>	<u>2008</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,272,395	\$ 5,790,561	\$ (518,166)
Operating grants and contributions	468,238	165,828	302,410
Capital grants and contributions	1,014,264	16,109,458	(15,095,194)
General revenues:			
Property taxes	19,132,585	18,212,358	920,227
Sales tax	14,798,437	15,592,847	(794,410)
Transient guest tax	22,610	—	22,610
Franchise tax	3,042,295	3,153,438	(111,143)
Other taxes	1,167,753	1,039,921	127,832
Grants and contributions not restricted to specific programs	2,323,161	2,468,242	(145,081)
Unrestricted investment earnings	373,546	1,200,836	(827,290)
Other	311,716	516,403	(204,687)
<b>Total revenues</b>	<b>47,927,000</b>	<b>64,249,892</b>	<b>(16,322,892)</b>
Expenses:			
General government	6,216,550	6,263,238	(46,688)
Public safety	13,599,525	14,073,114	(473,589)
Public works	15,358,193	16,772,929	(1,414,736)
Parks and recreation	6,602,530	5,432,457	1,170,073
Interest on long-term debt	2,800,190	3,040,032	(239,842)
<b>Total expenses</b>	<b>44,576,988</b>	<b>45,581,770</b>	<b>(1,004,782)</b>
Increase (decrease) in net assets before transfers	3,350,012	18,668,122	(15,318,110)
Transfers	—	—	—
<b>Change in net assets</b>	<b>3,350,012</b>	<b>18,668,122</b>	<b>(15,318,110)</b>
<b>Net assets, as of January 1</b>	<b>331,720,943</b>	<b>313,052,821</b>	<b>18,668,122</b>
<b>Net assets, December 31</b>	<b>\$ 335,070,955</b>	<b>\$ 331,720,943</b>	<b>\$ 3,350,012</b>

## CITY OF LEAWOOD, KANSAS

### Management's Discussion And Analysis (*Continued*)

#### Governmental Activities

Total resources available during the year to finance governmental operations were \$379.7 million consisting of net assets at December 31, 2008 of \$331.7 million, program revenues of \$6.8 million and general revenues of \$41.2 million. Total governmental activities during the year were \$44.6 million; thus, net assets increased by \$3.4 million to \$335.1 million. The chart below presents revenues and expenses in governmental activities for the past five years.



The cost of all governmental activities for fiscal year ended December 31, 2009 was \$44.6 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$37.8 million because some of the cost was paid by those who directly benefited from the programs (\$5.3 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$0.5 million), and capital grants and contributions (\$1 million). Overall, the City's governmental program revenues were \$6.8 million. The City paid for the remaining "public benefit" portion of governmental activities with \$41.2 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

The following is an in-depth analysis of the major revenue sources and expenses.

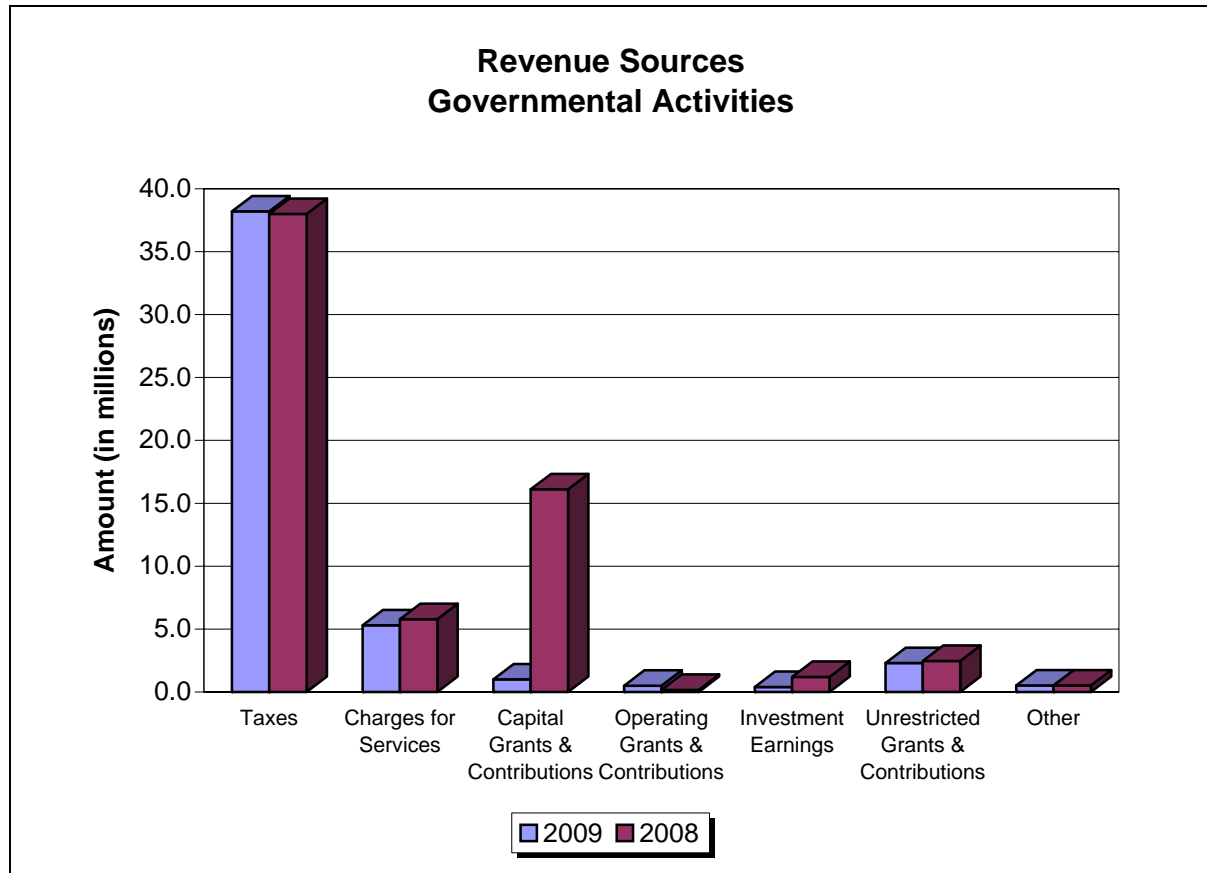
- Charges for services in total in 2009 were \$5,272,395 compared to \$5,790,561 in 2008. In 2009, \$625,000 in building and inspections permits and developer impact permits was collected compared to \$1,420,000 in 2008. Ironhorse Golf Course was open for all of 2009, and generated \$1,352,718, compared to 2008 when the course was opened for a partial year and generated \$842,573. Fines were down \$200,000 from the previous year.
- Capital grants and contributions totaled \$1,014,264. \$363,665 was in the form of indirect grants from other governments. Additionally community developers donated \$625,599 in infrastructure and right of way during 2009. The largest change from 2008 to 2009 was in the fact that we did not have any new special assessment added during 2009.
- Property taxes increased due to an increase in assessed valuation from 2008.
- Sales and use tax revenue decreased from \$15,592,847 in 2008 to \$14,798,437 in 2009 a decrease of 5.1% over 2008. Leawood, like many other municipalities has been affected by the global financial crisis. This uncertainty has resulted in consumers being more careful in spending their disposable income. Fortunately Leawood has had an increase in the number of retail and restaurant establishments during the past few years, including 2009, that has buffered the full impact.
- Investment earnings for 2009 decreased by 69%, due to low interest rates on quality investment options.
- Recognized depreciation expense of \$8,458,838, a slight increase of \$269,680 over 2008.
- Wages and benefits, decreased \$0.8 million in all operating divisions.
- The Public Works division capitalized \$4,890,938 in depreciable capital infrastructure during 2009 down from \$12,843,743 in 2008, resulting in a higher net cost of service in 2009.
- Interest on long-term debt, decreased due rapid repayment of debt, resulting in greater amounts of principal being paid each year and less interest.

## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

The chart below illustrates the total revenue from governmental activities for the fiscal years ended December 31, 2009 and 2008 respectively.



## FUND FINANCIAL ANALYSIS

### General Fund

The General Fund is the chief operating fund of the City of Leawood. Fund balance for the General Fund remained the same for the fiscal year ended December 31, 2009, with an ending balance of \$14.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund operating expenditures. Unreserved fund balance represents 49.8% of the total General Fund operating expenditures, while total fund balance represents 50.3% of that same amount.

Total fund balance is represented by two components: the reserved fund balance of \$0.1 million, essentially the same amount as the prior year and the unreserved fund balance of \$14.6 million, is the same as the prior year.

Reserved fund balance consists of \$0.1 million for inventory and prepaid items.

## CITY OF LEAWOOD, KANSAS

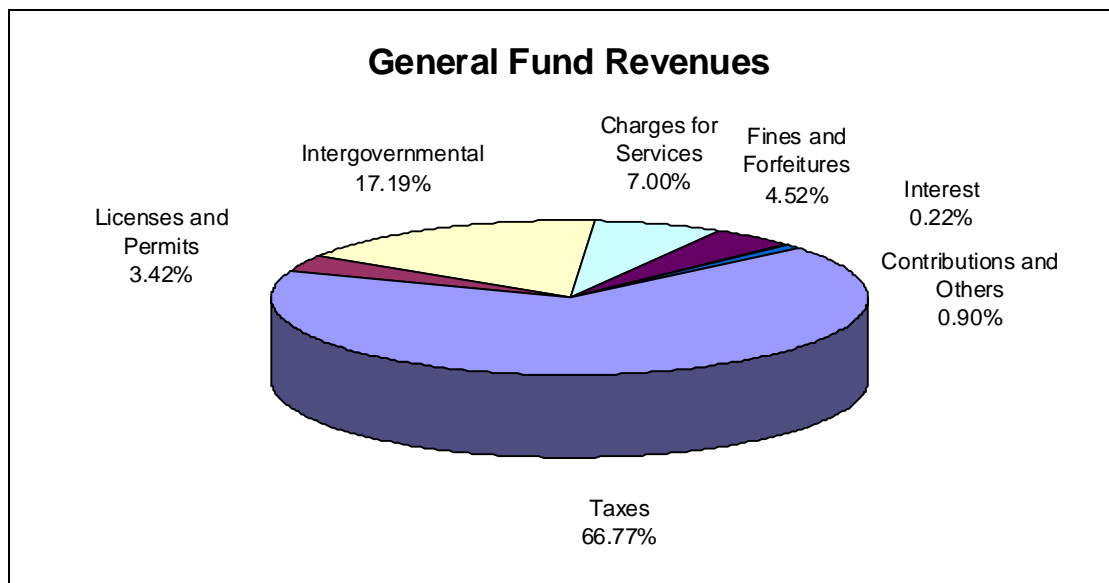
### Management's Discussion And Analysis (*Continued*)

The table below shows the City's General Fund balance for the past five years.

City of Leawood's General Fund Balance Five-Year Trend					
	2009	2008	2007	2006	2005
Fund Balance					
Reserved	\$ 130,404	\$ 284,019	\$ 390,617	\$ 55,185	\$ 1,076,631
Unreserved	14,553,294	14,399,679	14,764,086	14,651,607	11,751,740
<b>Total Fund Balance</b>	<b>\$ 14,683,698</b>	<b>14,683,698</b>	<b>15,154,703</b>	<b>14,706,792</b>	<b>12,828,371</b>
Fund Balance - Beginning	\$ 14,683,698	15,154,703	14,706,792	12,828,371	13,172,326
Operating Surplus/(Deficiency)	6,036,307	7,879,892	7,254,726	10,112,519	5,861,085
Transfers	(6,036,307)	(8,350,897)	(6,806,815)	(8,234,098)	(6,205,040)
<b>Fund Balance - Ending</b>	<b>\$ 14,683,698</b>	<b>\$ 14,683,698</b>	<b>\$ 15,154,703</b>	<b>\$ 14,706,792</b>	<b>\$ 12,828,371</b>

General Fund revenues decreased overall by \$0.2 million or 0.6% over the prior year. General Fund interest revenues decreased by \$233,971 primarily due to the significant drop in interest rates for high quality instruments used to invest idle funds. The weighted average yield on our investment portfolio was 0.59% this year compared to 1.88% in 2008. Licenses and Permits decreased by \$618,136 due to the number and size of the building permits issued along with the associated inspection permits. Intergovernmental revenue also decreased as a result of the county use tax collections of around \$300,000. The downward economy has had an impact on overall county sales. Lastly, charges for services increased by \$430,728 due to the golf course being open for the entire fiscal year.

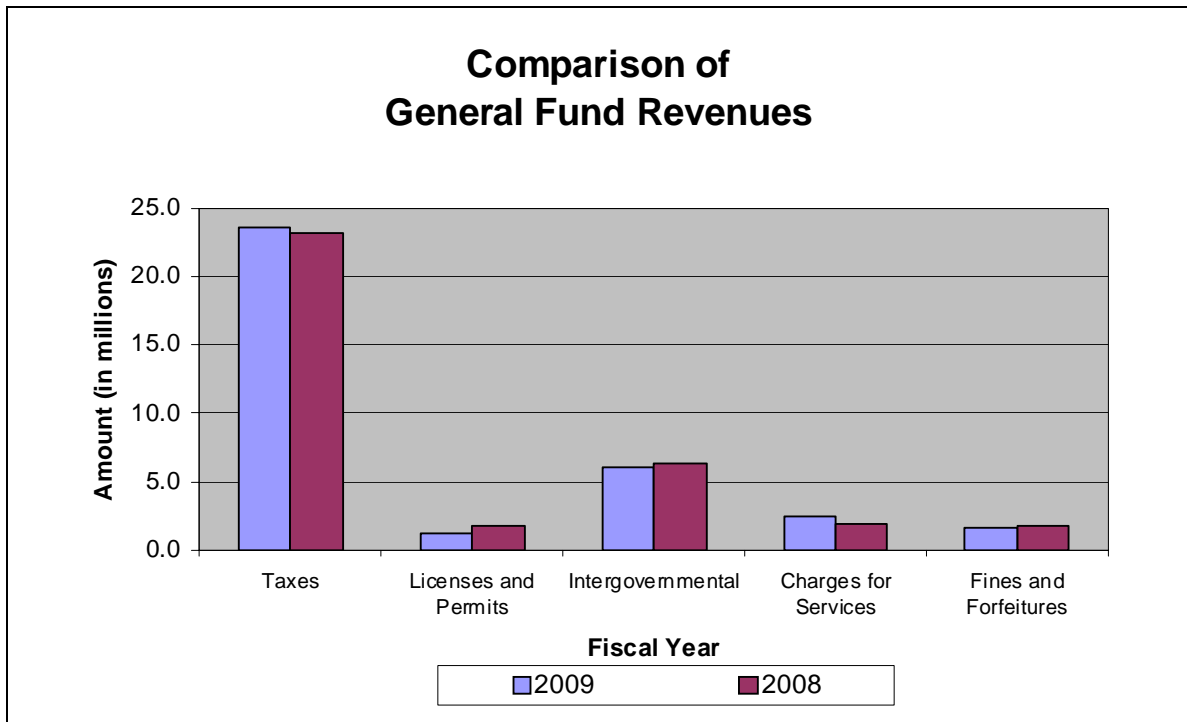
The graph below illustrates General Fund revenues by source.



## CITY OF LEAWOOD, KANSAS

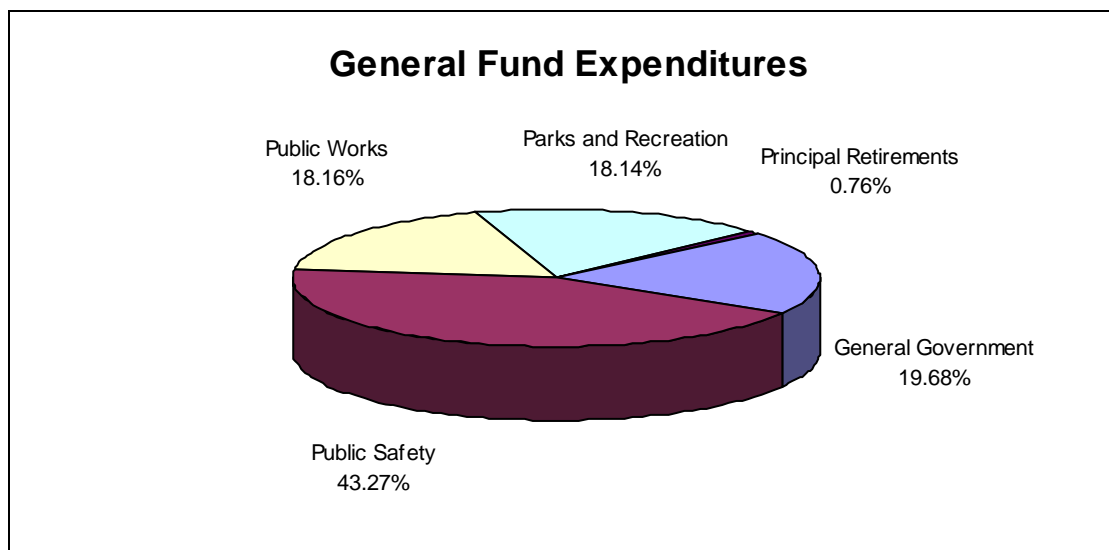
### Management's Discussion And Analysis (*Continued*)

The graph below presents a comparison of each General Fund revenue source for the fiscal years ended December 31, 2009 and 2008.



General Fund expenditures increased overall by \$1.1 million or 3.9% with the largest increase primarily in the area of Public Safety at \$0.4 million. General Government increased by \$0.1 million; Public Works increased by \$0.2 million; and Parks & Recreation increased by \$0.2 million. Increases in wages and benefits accounted for the change.

The graph below presents General Fund expenditures by category.

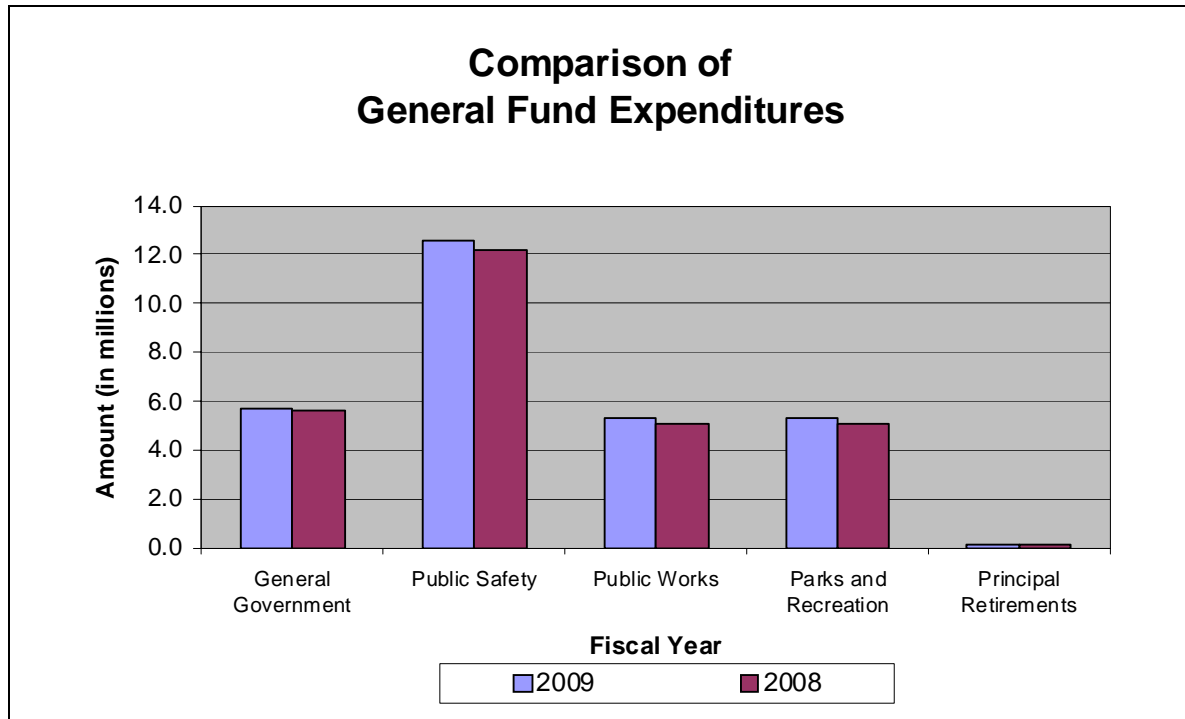


## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

The graph below illustrates a comparison of each expenditure category for the fiscal years ended December 31, 2009 and 2008.



Transfer to other funds decreased by \$2.4 million from the prior year. The capital equipment and pay-as-you-go project transfers fluctuate as necessary to fund the C.I.P (Capital Improvement Program) and the Vehicle and Equipment Replacement Schedules.

### **Other Governmental Funds**

The fund balance for the Debt Service Fund decreased \$0.4 million from last year. This balance represents 97.9% of the 2009 annual debt service payments.

The fund balance in the Capital Projects Fund resulted in a deficit of (\$12.1) million. The deficit was a result of borrowing short term funds in order to finance capital projects. Once these projects are bonded the fund balance will return to a positive balance. For the past number of years multiple capital projects have been in progress as we have provided buildings, streets and parks to accommodate growth. As the economic cycle winds down the number of outstanding projects are becoming fewer and fewer.

The Capital Improvement Fund had an increase of \$1.3 million in fund balance as the current year's operating result. Gezer Park, Leawood's newest Gem, was completed in 2009.

## **CITY OF LEAWOOD, KANSAS**

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### Management's Discussion And Analysis (*Continued*)

The Public Safety Improvement Fund had a \$3.6 million increase in fund balance. Funds are accumulating in this fund in order to build a new Justice Center that can be paid for without long-term debt. In April 2007, a 0.4 cent Public Safety Sales tax was put into effect by the voters for this purpose.

### **DEBT ADMINISTRATION**

As of December 31, 2009, the City of Leawood had total bonded debt outstanding of \$54,125,000. Of this, \$53,160,000 in debt is backed by the full faith and credit of the City. The remainder of \$965,000 represents revenue bonds secured solely by a lease agreement from the City of Leawood to the Public Building Commission.

#### **City of Leawood's Outstanding Debt General Obligation and Revenue Bonds**

	<b>Governmental Activities</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
General obligation bonds	\$ 53,160,000	\$ 58,735,000	\$ (5,575,000)
Revenue bonds	965,000	1,345,000	(380,000)
<b>Total</b>	<b>\$ 54,125,000</b>	<b>\$ 60,080,000</b>	<b>\$ (5,955,000)</b>

The City of Leawood achieved its first AAA bond rating from Moody's Investor Service in April 2008 and it was re-affirmed again in September 2009. This bond rating is a clear indication of the sound financial condition of the City of Leawood. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

Kansas statutes limit the amount of general obligation debt that a unit of government can issue to 30% of the total assessed value of taxable property located within the City's boundaries. The legal debt margin for City of Leawood is \$207,931,626.

Additional information regarding the City of Leawood's long-term debt can be found in Note 9 beginning on page 42 of this report.

### **CAPITAL ASSETS**

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At December 31, 2009, net capital assets of the governmental activities totaled \$340.7 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to the Notes to Basic Financial Statements Note 6 for detail regarding capital assets.

## CITY OF LEAWOOD, KANSAS

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### Management's Discussion And Analysis (*Continued*)

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its streetlights and traffic signals. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments and summarizing the results using a measurement scale; and (3) estimation of the annual amounts to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

It is the City's policy to maintain and preserve streetlights and traffic signals at least at 85% of their normal operating mode. Street lights and traffic signals are often out of service for the following factors: (1) life of lamp light; (2) accidents by vehicles or contractors who excavate in the City's Right of Ways; (3) weather, such as high winds, rain, snow and ice; and (4) vandalism. During 2009, the City contracted with an outside service provider to perform inspections. The City also relies on citizens to report streetlight and traffic signal outages or malfunctions. The provider performs a monthly visual inspection on the streetlights and traffic signals and reports to the City Engineer. The City's policy is to repair/replace any outages or malfunctions within 48 hours. The average monthly condition assessment for 2009 was 98.3%. For 2009, the City incurred expenditures of \$213,418 compared to the budgeted amount of \$242,000 to maintain the condition assessment level.

The table below presents summary information on the City's capital assets.

#### City of Leawood's Capital Assets

(Net of depreciation)

	Governmental Activities		
	2009	2008	% change
Land/right of way	\$ 111,461,213	\$ 111,275,466	0%
Buildings and improvements	30,378,288	29,338,519	4%
Machinery and equipment	6,202,672	6,699,834	-7%
Infrastructure	190,798,367	190,848,301	0%
Construction in progress	1,848,155	5,750,404	-68%
Total	\$ 340,688,695	\$ 343,912,524	-1%

## **CITY OF LEAWOOD, KANSAS**

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### **Management's Discussion And Analysis (*Continued*)**

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The legally adopted budget for the General Fund was not amended by the Governing Body during 2009.

The General Fund budget amount of \$32.6 million compared to the actual expenditures of \$29.2 million for the fiscal year ended December 31, 2009 represents a favorable variance of \$3.4 million. Over \$0.8 million of the savings, were in personnel costs from position vacancies, intentional delays in hiring, as well as reductions in overtime and lower worker's compensation costs. Commodities and professional and contractual support was lower by \$2.6 million. Careful and conservative spending was used throughout the year.

Final Budget	\$ 32,577,047
Expenditure Actuals	<u>(29,213,549)</u>
Variance (over) / under	<u>\$ 3,363,498</u>

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Director of Finance, City of Leawood, 4800 Town Center Drive, Leawood, KS 66211 or phone 913-339-6700 ext. 121.

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## Basic Financial Statements

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# CITY OF LEAWOOD, KANSAS

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## STATEMENT OF NET ASSETS

December 31, 2009

	<b>Governmental Activities</b>
<b>Assets</b>	
Pooled cash and investments	\$ 53,037,476
Restricted assets	129,850
Receivables (net of allowance for uncollectibles):	
Property tax	10,471,940
Sales tax	2,645,791
Transient guest tax	22,610
Franchise tax	870,913
Special assessments - current	1,629,184
Intergovernmental	588,406
Interest	114,715
Accounts	7,838
Inventory and prepaid expenses	130,404
Bond issuance costs, net	580,502
Special assessments receivable - noncurrent	13,023,964
Capital assets:	
Land and other capital assets, nondepreciable	129,201,024
Other capital assets, net of depreciation	211,487,671
<b>Total Assets</b>	<b>423,942,288</b>
<b>Liabilities</b>	
Accounts payable	685,517
Due to employees and others	776,176
Unearned revenue	10,783,847
Temporary notes payable	19,870,000
Accrued interest payable	805,298
Municipal court deposits	129,850
Long-term liabilities:	
Due within one year	6,968,583
Due in more than one year	48,852,062
<b>Total Liabilities</b>	<b>88,871,333</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	286,691,065
Restricted for:	
Capital projects	8,664,478
Debt service	7,604,434
Other purposes	680,687
Unrestricted	31,430,291
<b>Total Net Assets</b>	<b>\$ 335,070,955</b>

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Governmental Activities</b>					
General government	\$ 6,216,550	\$ 2,669,200	\$ —	\$ —	\$ (3,547,350)
Public safety	13,599,525	117,873	7,287	—	(13,474,365)
Public works	15,358,193	36,547	460,951	989,264	(13,871,431)
Parks and recreation	6,602,530	2,448,775	—	25,000	(4,128,755)
Interest on long-term debt	2,800,190	—	—	—	(2,800,190)
<b>Total Governmental Activities</b>	<b>\$ 44,576,988</b>	<b>\$ 5,272,395</b>	<b>\$ 468,238</b>	<b>\$ 1,014,264</b>	<b>(37,822,091)</b>

### General Revenues

Property taxes levied for:

Property taxes for general purposes	13,654,784
Property taxes for debt service	5,477,801
Sales taxes	14,798,437
Transient Guest tax	22,610
Franchise taxes	3,042,295
Other taxes	1,167,753
Grants and contributions not restricted to specific programs	2,323,161
Unrestricted investment earnings	373,546
Miscellaneous	311,716

<b>Total General Revenues</b>	<b>41,172,103</b>
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Change in net assets	3,350,012
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<b>Net Assets - Beginning Of Year</b>	<b>331,720,943</b>
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<b>Net Assets - End Of Year</b>	<b>\$ 335,070,955</b>
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# CITY OF LEAWOOD, KANSAS

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2009

	General Fund	Debt Service	Capital Projects	Capital Improve- ments	Public Safety Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Pooled cash and investments	\$ 12,906,642	\$ 7,178,867	\$ 8,038,743	\$ 3,944,435	\$ 13,188,114	\$ 7,780,675	\$ 53,037,476
Restricted assets	129,850	—	—	—	—	—	129,850
Receivables:							
Property tax	7,660,288	2,811,652	—	—	—	—	10,471,940
Sales tax	2,018,516	—	—	—	497,485	129,790	2,645,791
Transient Guest tax	—	—	—	—	—	22,610	22,610
Accounts	7,838	—	—	—	—	—	7,838
Franchise tax	870,913	—	—	—	—	—	870,913
Interest	3,078	38,546	109	8	52,117	20,857	114,715
Intergovernmental	311,582	85,910	—	—	—	190,914	588,406
Special assessments	—	14,653,148	—	—	—	—	14,653,148
Inventories and prepaids	130,404	—	—	—	—	—	130,404
Due from other funds	—	—	—	—	124,747	—	124,747
<b>Total Assets</b>	<b>\$ 24,039,111</b>	<b>\$ 24,768,123</b>	<b>\$ 8,038,852</b>	<b>\$ 3,944,443</b>	<b>\$ 13,862,463</b>	<b>\$ 8,144,846</b>	<b>\$ 82,797,838</b>
<b>Liabilities And Fund Balances (Deficit)</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 438,355	\$ —	\$ 161,741	\$ 13,000	\$ —	\$ 72,421	\$ 685,517
Due to employees and others	776,176	—	—	—	—	—	776,176
Due to other funds	124,747	—	—	—	—	—	124,747
Deferred revenue	7,886,285	17,163,689	—	—	—	—	25,049,974
Temporary notes payable	—	—	19,870,000	—	—	—	19,870,000
Accrued interest payable	—	—	115,906	—	—	—	115,906
Municipal court deposits	129,850	—	—	—	—	—	129,850
<b>Total Liabilities</b>	<b>9,355,413</b>	<b>17,163,689</b>	<b>20,147,647</b>	<b>13,000</b>	<b>—</b>	<b>72,421</b>	<b>46,752,170</b>
<b>Fund Balances (Deficit)</b>							
Reserved:							
Inventory and prepaids	130,404	—	—	—	—	—	130,404
Debt service	—	7,604,434	—	—	—	—	7,604,434
Capital projects	—	—	—	—	7,576,336	—	7,576,336
Unreserved (deficit) reported in:							
General fund	14,553,294	—	—	—	—	—	14,553,294
Capital projects	—	—	(12,108,795)	3,931,443	6,286,127	7,037,232	5,146,007
Special revenue	—	—	—	—	—	1,035,193	1,035,193
<b>Total Fund Balances (Deficit)</b>	<b>14,683,698</b>	<b>7,604,434</b>	<b>(12,108,795)</b>	<b>3,931,443</b>	<b>13,862,463</b>	<b>8,072,425</b>	<b>36,045,668</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>							
<b>Balances (Deficit)</b>	<b>\$ 24,039,111</b>	<b>\$ 24,768,123</b>	<b>\$ 8,038,852</b>	<b>\$ 3,944,443</b>	<b>\$ 13,862,463</b>	<b>\$ 8,144,846</b>	<b>\$ 82,797,838</b>

# CITY OF LEAWOOD, KANSAS

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## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS December 31, 2009

**Total Fund Balance - Governmental Funds** \$ 36,045,668

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets the cost of those assets is capitalized and shown at cost or estimated cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Assets. 340,688,695

Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements. 14,266,127

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond issuance costs, net	580,502
Accrued interest payable	(689,392)
Long-term liabilities	<u>(55,820,645)</u>

**Total Net Assets Of Governmental Activities** \$ 335,070,955

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2009

	General Fund	Debt Service	Capital Projects	Capital Improve- ments	Public Safety Improve- ment	Other Govern- mental Funds	Total Govern- mental Funds
<b>Revenues</b>							
Taxes	\$ 23,535,204	\$ 4,854,004	\$ —	\$ —	\$ 2,676,686	\$ 712,301	\$ 31,778,195
Licenses and permits	1,203,842	—	—	—	—	10,650	1,214,492
Intergovernmental	6,060,314	466,648	—	—	—	2,026,127	8,553,089
Charges for services	2,466,140	—	—	—	—	—	2,466,140
Fines and forfeitures	1,591,763	—	—	—	—	—	1,591,763
Special assessments	—	2,015,839	—	—	—	—	2,015,839
Interest	75,950	52,526	57,508	19,503	125,820	42,239	373,546
Contributions and others	316,644	—	—	—	—	28,754	345,398
<b>Total Revenues</b>	<b>35,249,857</b>	<b>7,389,017</b>	<b>57,508</b>	<b>19,503</b>	<b>2,802,506</b>	<b>2,820,071</b>	<b>48,338,462</b>
<b>Expenditures</b>							
General government	5,740,799	—	—	—	—	109,853	5,850,652
Public safety	12,623,748	—	—	—	—	—	12,623,748
Public works	5,297,652	—	—	—	—	—	5,297,652
Parks and recreation	5,291,556	—	—	—	—	10,536	5,302,092
Capital outlay							
General government	—	—	—	—	—	212,470	212,470
Public safety	—	—	—	75,055	—	151,107	226,162
Public works	—	—	2,517,117	115,793	—	2,734,185	5,367,095
Parks and recreation	—	—	22,768	1,763,906	—	534,899	2,321,573
Debt service:							
Principal retirement	221,245	5,575,000	—	—	—	860,000	6,656,245
Interest and fiscal charges	38,550	2,187,339	649,153	—	—	66,288	2,941,330
<b>Total Expenditures</b>	<b>29,213,550</b>	<b>7,762,339</b>	<b>3,189,038</b>	<b>1,954,754</b>	<b>—</b>	<b>4,679,338</b>	<b>46,799,019</b>
<b>Revenues Over (Under) Expenditures</b>	<b>6,036,307</b>	<b>(373,322)</b>	<b>(3,131,530)</b>	<b>(1,935,251)</b>	<b>2,802,506</b>	<b>(1,859,267)</b>	<b>1,539,443</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	150,000	—	—	3,256,100	766,644	2,488,563	6,661,307
Transfers out	(6,186,307)	—	—	—	—	(475,000)	(6,661,307)
Premiums	—	—	248,912	—	—	—	248,912
<b>Total Other Financing Sources (Uses)</b>	<b>(6,036,307)</b>	<b>—</b>	<b>248,912</b>	<b>3,256,100</b>	<b>766,644</b>	<b>2,013,563</b>	<b>248,912</b>
<b>Net Change In Fund Balances</b>	<b>—</b>	<b>(373,322)</b>	<b>(2,882,618)</b>	<b>1,320,849</b>	<b>3,569,150</b>	<b>154,296</b>	<b>1,788,355</b>
<b>Fund Balances (Deficit) -</b>							
<b>Beginning Of Year</b>	<b>14,683,698</b>	<b>7,977,756</b>	<b>(9,226,177)</b>	<b>2,610,594</b>	<b>10,293,313</b>	<b>7,918,129</b>	<b>34,257,313</b>
<b>Fund Balances (Deficit) -</b>							
<b>End Of Year</b>	<b>\$ 14,683,698</b>	<b>\$ 7,604,434</b>	<b>\$ (12,108,795)</b>	<b>\$ 3,931,443</b>	<b>\$ 13,862,463</b>	<b>\$ 8,072,425</b>	<b>\$ 36,045,668</b>

# CITY OF LEAWOOD, KANSAS

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## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2009

**Net Change In Fund Balances - Total Governmental Funds** \$ 1,788,355

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	4,813,880
Depreciation expense	(8,458,838)
Loss on disposal of capital assets	(593,133)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Amount of donated assets	1,014,264
Change in deferred revenue for tax revenues	(1,392,042)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of issuance costs and deferred amounts on refunding	(182,242)
Interest expense	74,469
Payment of long-term debt	6,656,245
Net post-retirement benefits obligation	(261,347)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(109,599)
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**Total Changes In Net Assets Of Governmental Activities** \$ 3,350,012

# CITY OF LEAWOOD, KANSAS

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## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS December 31, 2009

	<b>Agency Funds</b>
<b>Assets</b>	
Pooled cash and investments	\$ 440,019
Special assessments	<u>1,381,941</u>
<b>Total Assets</b>	<u><u>\$ 1,821,960</u></u>
<b>Liabilities</b>	
Due to employees	\$ 897
Due to other taxing jurisdiction	<u>1,821,063</u>
<b>Total Liabilities</b>	<u><u>\$ 1,821,960</u></u>

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## **Notes To Basic Financial Statements**

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# **CITY OF LEAWOOD, KANSAS**

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2009**

### **1. Summary Of Significant Accounting Policies**

The City of Leawood, Kansas (the City) became a first class city effective December 31, 1998. The City operates under the Mayor-Council form of government with the addition of a City Administrator. The City covers an area of approximately 15 square miles in northeastern Johnson County, Kansas. The City provides many services to its estimated 32,548 residents, including law enforcement, fire protection, and recreational facilities. Educational services are provided by separate governmental entities.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting and reporting policies established in GAAP and practiced by the City are discussed below.

#### **Reporting Entity**

These financial statements present the City and its component unit, the Leawood Public Building Commission (PBC). As defined by GASB Statement No. 14, as amended by GASB Statement No. 39, component units are legally separate entities that are included in the City's financial statements because of the significance of their operating or financial relationship with the City.

The PBC is a not-for-profit corporation established to acquire assets and construct facilities and infrastructure for the benefit of the City by issuance of revenue bonds. The Public Building Revenue Bonds are payable from annually appropriated transfers made by the City to the PBC. The Board of Directors of the PBC is comprised of seven members, who are appointed by the Mayor of the City of Leawood and subject to approval of the City Council. The Mayor serves as the Commission Chairperson.

Although legally separate, the activities of the PBC are included in the Public Building Commission (Special Revenue) Fund as a blended component unit. No separately issued financial statements are prepared for the PBC.

#### **Basis Of Presentation**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

#### **Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the City, the primary government, as a whole, with the exclusion of fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

## **CITY OF LEAWOOD, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City. All interfund activity, other than interfund services provided and used, has been removed from these statements.

The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

#### *Fund Financial Statements*

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

#### *Governmental Funds*

The major governmental funds of the City are described below:

##### *General Fund*

The General Fund is the principal operating fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the City are financed through revenues received by the General Fund.

##### *Debt Service Fund*

The Debt Service Fund is used to account for resources to be used for the payment of general long-term debt principal, interest and related costs.

##### *Capital Projects Fund*

The Capital Projects Fund accounts for the purchase and/or construction of major capital projects. These projects are normally financed by temporary notes and/or general obligation bonds.

## **CITY OF LEAWOOD, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

#### *Capital Improvements Fund*

The Capital Improvements Fund accounts for the budgeted transfer of monies from other City funds lawfully available for improvement purposes. Funds may be used to finance, in whole or in part, any public improvement need set forth in the adopted capital improvement plan.

#### *Public Safety Improvement Fund*

The Public Safety Improvement fund accounts for a 4 tenths of one cent public safety sales tax and will be used to construct a Justice Center.

#### *Fiduciary Funds*

The City maintains seven fiduciary funds, all of which are agency funds. The Employee Giving Fund accounts for amounts withheld from employees for charitable purposes. The Cornerstone, Resurrection and Villaggio Transportation Development District Funds account for special assessment collections and the related payments to bondholders for special assessment debt issued in which the City is not obligated in any manner. The One-Nineteen and Park Place Transportation Development District Funds have collected sales tax that will not be distributed until the time of bond issuance. These funds will be used to pay bondholders. The City will not be obligated in any manner for this debt. The Insurance Proceeds Fund was established to account for insurance proceeds received by the City whenever any privately owned building or other structure is damaged as a result of fire, explosion or windstorm. When the insured party meets certain requirements to repair the property to the satisfaction of the City, the funds are returned to the insured party.

### **Measurement Focus And Basis Of Accounting**

#### *Government-wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared, therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

#### *Governmental Fund Financial Statements*

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### *Revenue Recognition*

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year end and available to pay obligations of the current period). This includes investment earnings and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Property taxes and special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property taxes and special assessment receivables are recorded and deferred in the fund statements until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Property taxes are recognized as revenue in the government-wide financial statements in the year intended to be financed by those taxes in accordance with provisions of GASB No. 33 and GASB No. 34.

#### *Expenditure Recognition*

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

#### *Fiduciary Fund Financial Statements*

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds apply the accrual basis of accounting, however they do not have a measurement focus.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

## **CITY OF LEAWOOD, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

#### **Financial Statement Accounts**

##### *Deposits and Investments*

The City temporarily pools available idle funds for the purpose of increasing revenue through investment activities. Each fund's portion of this pool is displayed on the financial statements as "Pooled cash and investments." Interest earned on this pool is allocated to various funds on the basis of the fund's month-end cash balance.

Investments are reported at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

The City typically invests available cash in demand deposits, time deposits, and U.S. Government securities ranging from 30 to 365 days to maturity. The average yield on investments during the year was 0.59% and the amount of investment revenue received was \$373,546.

From time to time, the City invests available cash in the Kansas Municipal Investment Pool (KMIP). KMIP is a pooled investment vehicle offered by the by the State of Kansas as a voluntary investment alternative for municipalities in the State of Kansas. KMIP is governed by the State of Kansas Pooled Money Investment Board. Investments in the KMIP are reported at the amount invested by the City plus any accrued interest earned, which approximates fair value.

##### *Inventories and Prepaid Items*

Inventory included on the City's financial statements is valued at the lower of cost or market, on a first-in first-out basis, and consists of fuel, golf merchandise and food and beverage items. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

##### *Capital Assets*

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads/curbs, bridges, storm drainage systems, etc. acquired in 1948 and after) are reported in the governmental activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the efficiency or capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided on the straight-line basis over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings/building improvements	20 - 40
Machinery and equipment	5 - 15
Infrastructure - storm drainage systems	75
Infrastructure - streets/curbs	40
Infrastructure - pedestrian bridges	30
Infrastructure - bridges	45

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street network, storm drainage network, streetlight network, traffic signal network, and pedestrian and vehicle bridges and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business.

The City has elected to use the Modified Approach as defined by GASB No. 34 for infrastructure reporting of its streetlights and traffic signals. Under GASB No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

The City manages the eligible infrastructure capital assets using an asset management system with the characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amounts to maintain and preserve at the established condition assessment level. The Modified Approach for these two networks entails the following:

*Streetlights and Traffic Signals* - City owned streetlights and traffic signals will be inspected on a monthly basis to determine any outages. The City's standard for the streetlight and traffic signals networks is that 85% of the City's owned streetlights and traffic signals are operating on an annual basis. A monthly report will be generated for the City indicating the number of lights that are out. The City Engineer will review the monthly report to ensure that the 85% operating standard is maintained. Streetlights and traffic signals not owned by the City are not maintained by the City and therefore are not included in the City's capital assets. The City estimates that cost of maintenance of the streetlight and traffic signal systems at 85% on an annual basis will be \$247,000.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### *Compensated Absences*

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based upon length of service. In the event of termination or separation, an employee is paid for accumulated vacation up to the equivalent of 25 days vacation. Employees are not paid for accumulated sick leave upon termination, except for employees hired before January 1, 1984 who were allowed to carry over sick leave benefits accumulated prior to January 1, 1984. These benefits are payable to the employee upon retirement and are not payable if the employee is terminated before retirement. Accrued vacation and pre-1984 sick leave is recorded as a long-term liability of the City.

#### *Long-Term Liabilities*

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, capital leases, net other post employment benefit obligations, and accrued compensated absences. Bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *Special Assessments*

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of bonds are recorded as revenue for the appropriate project. Special assessments received after issuance of bonds are recorded as revenue in the Debt Service Fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over various periods, and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. Special assessment taxes levied are a lien on the property and are recorded as special assessment receivable in the Debt Service Fund with a corresponding amount recorded as deferred revenue in the fund financial statements.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### *Interfund Receivables and Payables*

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to the purchase of goods and services are classified as “due to and from other funds.” Short-term interfund loans are reported as due to and due from other funds. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between governmental funds are eliminated in the Statement of Net Assets.

#### *Interfund Transfers*

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated unless interfund services were provided.

#### *Equity Classifications*

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. As noted previously, in the government-wide statements, equity is classified as net assets and displayed in three components:

- *Invested in capital assets, net of related debt* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, related premiums or discounts, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net assets* - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

#### *Deferred Revenue*

The City has recorded deferred revenue in the General and Debt Service Funds relating to property taxes and special assessments not considered available until the following year.

#### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through April 12, 2010, the date which the financial statements were available for issue.

**2. Stewardship, Compliance And Accountability**

**Budgetary Control**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and the Debt Service Fund. Special Revenues Funds requiring a legally adopted budget include the Special Alcohol Fund, the Special City Highway Fund, the Special Parks and Recreation Fund and the Special Law Enforcement Fund. A legal operating budget is not required for Capital Projects Funds.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized on the modified accrual basis. Expenditures include disbursements and accounts payable.

The statutes permit transferring budgeted amounts between line items within an individual fund by management. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

The statutes allow for the governing body to increase the originally adopted expenditure budget for a fund for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The reported budgetary data represents the approved budget as adopted by the City Council.

## **CITY OF LEAWOOD, KANSAS**

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### **Notes To Basic Financial Statements (*Continued*)**

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Governing Body. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriate amount) is at the fund level.

Kansas statutes prohibit cities from creating indebtedness unless there is money on hand in the proper fund and unencumbered by previous commitments with which to pay the indebtedness. The execution of a contract, or the issuing of a purchase order, automatically encumbers the money in the fund for the payment of the amount represented by the commitment. It makes no difference that the amount may not have to be paid until more monies are in the fund or until the following year. An exception to this cash basis law is the issuance of debt, in the form of bonds, notes, or warrants, pursuant to statutory authority, referendum, or by the State Board of Tax Appeals. In the event debt is issued, funds need not be on hand for future payments.

#### **Property Taxes**

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the county.

Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 20 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as deferred revenues on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amount thereof is not material in relationship to the basic financial statements taken as a whole.

### **3. Detailed Notes On All Funds**

#### **Deposits And Investments**

Kansas State Statutes authorize the City, with certain restrictions, to invest in open accounts, time deposits, certificates of deposits, KMIP, and U.S. Treasury securities. All deposits with banks are collateralized at 105% of market value, as required by the City's Cash and Investment Policy and State Statute, less insured amounts.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

The City maintains a cash and investment program to pay for operating and capital requirements. The investment program consists of deposits, repurchase agreements, certificates of deposit, and U.S. Treasury securities. Nearly all maturities of securities were less than one year. At December 31, 2009, the bank balance, certificates of deposits and repurchase agreements were \$20,672,080, which were covered by federal depository insurance or collateral held in safekeeping in the City's name.

Cash and investments are pooled. Investment income is allocated to the funds based on the respective cash and investment balances.

A reconciliation of cash and investments with the Statement of Net Assets, as well as a summary of the City's investments is as follows:

Cash on hand	\$ 4,735
Carrying amount of deposits	5,440,827
Investments	<u>48,161,783</u>
Total cash and investments	<u>\$ 53,607,345</u>
Pooled cash and investments	\$ 53,037,476
Restricted cash	129,850
Cash and investments - agency funds	<u>440,019</u>
Total pooled cash and investments	<u>\$ 53,607,345</u>

#### *Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At December 31, 2009, the City's deposits were fully collateralized by federal depository insurance and letters of credit from the Federal Home Loan Bank of Des Moines held in the City's name by the City's financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of December 31, 2009.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### *Interest Rate Risk*

As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's policy is to limit its investments to securities with stated maturities not exceeding two years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. The weighted average maturity of the City's investment portfolio is 238 days.

The following table shows the City's investment portfolio broken down into maturity ranges.

	Maturity		
	Amount	6 Months Or Less	6 -12 Months
U.S. Treasury Bills	\$ 17,985,737	\$ 17,985,737	\$ —
U.S. Treasury Notes	15,176,046	4,005,621	11,170,425
Repurchase Agreements	15,000,000	15,000,000	—
	<u>\$ 48,161,783</u>	<u>\$ 36,991,358</u>	<u>\$ 11,170,425</u>

#### *Foreign Currency Risk*

Foreign currency risk is the risk that fluctuations in exchange rates can lead to a loss in value of assets denominated in foreign currencies. The City investment policy does not allow for foreign currency denominated investments and, as a result, the City has no investments exposed to foreign currency risk. All investments are in U.S. dollars.

The City has an investment policy that regulates investments in securities that have objectives of safety in principal, liquidity with all investments in U.S. dollars, and investment returns optimized within the constraints of safety and liquidity. Eligible securities are specific to Kansas State Statutes. All securities owned by the City are in conformance with the investment policy.

#### *Credit Risk and Concentrations of Credit Risk*

Credit risk is the risk that an entity will not be able to honor its commitments in the event of liquidation. The City manages credit risk by requiring all investments, including the use of any external investment pools be AAA rated by nationally recognized rating agencies. All securities held by the City meet the credit quality objective.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

Additionally, the following table summarizes the City's policy limitations on investment concentration:

<u>Investment Type</u>	<u>Maximum Percentage</u>
Repurchase Agreements	40%
Collateralized Time and Demand Deposits	100%
U.S. Treasury Notes and Bills	100%
Kansas Municipal Investment Pool	30%
Bank Trust Department Municipal Pools	10%
Temporary Notes or No-Fund Warrants	10%

Presented below is the actual rating by Standard and Poor's Investor Service as of year end for each investment type, as well as the issuers of securities, and the respective fair value of those securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating As Of December 31, 2009</u>	<u>Percentage</u>
U.S. Treasury Securities	\$ 33,161,783	**	69%
Repurchase Agreements	<u>15,000,000</u>	AAA collateral	31%
	<u><u>\$ 48,161,783</u></u>		

\*\* U.S. Treasury Securities are not rated because they are the highest quality securities.

### Property Taxes

The City's property tax is levied and a lien attaches each November 1 on the assessed value as of the prior year January 1 for all property located in the City. Property taxes are due December 20, following the levy date. The taxes are collected by the County and remitted to the City, generally after December 31. The taxes may be paid in full or one-half on or before the due date of December 20, with the remaining one-half due on or before May 20 of the following year.

Assessed values are established by the County Appraiser. The assessed value for property located in the City as of January 1, 2008, on which the 2009 levy was based was \$774,815,359.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2009 recognized as revenue in 2009 were as follows:

	<u>Levy (Mills)</u>
General fund	17.894
Debt service fund	<u>6.357</u>
	<u><u>24.251</u></u>

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

Taxes receivable represent property taxes levied on November 1, 2009 for 2010, which have been recorded as deferred revenue, and delinquent property taxes, City sales taxes, consumers' use tax, and franchise taxes, which have been recorded as revenues.

#### 4. Intergovernmental Revenues

	General Fund	Debt Service	Capital Projects	Capital Improve- ment	Other Governmental Funds	Total
Federal:						
Department of Transportation	\$ 2,287	\$ —	\$ —	\$ —	\$ —	\$ 2,287
State Of Kansas:						
Special Liquor tax	389,251	—	—	—	778,502	1,167,753
Gasoline tax	—	—	—	—	786,672	786,672
County and local:						
County sales tax	4,090,469	—	—	—	—	4,090,469
County consumer's use tax	503,466	—	—	—	—	503,466
Motor vehicle tax	1,069,841	466,648	—	—	—	1,536,489
County assisted road system	—	—	—	—	460,953	460,953
Med James, Inc.						
Heritage Rewards	5,000	—	—	—	—	5,000
	\$ 6,060,314	\$ 466,648	\$ —	\$ —	\$ 2,026,127	\$ 8,553,089

#### 5. Interfund Transfers

A summary of interfund transfers by fund type is as follows:

Transfers To	Transfers From		Total
	General Fund	Other Governmental Funds	
<b>Governmental Activities</b>			
General fund	\$ —	\$ 150,000	\$ 150,000
Capital improvements fund	3,256,100	—	3,256,100
Public safety improvement fund	766,644	—	766,644
Other governmental funds	2,163,563	325,000	2,488,563
	\$ 6,186,307	\$ 475,000	\$ 6,661,307

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

Transfers from/to other funds consisted of the following:

**From The General Fund To:**

Municipal Equipment Reserve Fund for capital expenditures	\$ 915,755
Street Improvements Fund for capital expenditures	531,200
Special City Highway Fund for capital expenditures	200,000
Public Building Commission for debt service	
Capital Improvements Fund for capital expenditures	3,256,100
City Art Fund for capital expenditures	99,120
Public Safety Improvement Fund for capital expenditures	766,644
Public Building Commission Fund	417,488
	<u>6,186,307</u>

**From Other Governmental Funds:**

From the Special Alcohol Fund to:	
General Fund for expenditures	150,000
From 1/8-Cent Sales Tax Fund to:	
Street Improvements Fund for capital expenditures	325,000
	<u>475,000</u>
	<u>\$ 6,661,307</u>

A summary of amounts due from/to other funds is as follows:

**Governmental Activities**

Due from the General Fund to:	
Public Safety Improvement Fund	<u>\$ 124,747</u>

Amounts due from the General Fund to the Public Safety Improvement Fund result from the lag time certain sales taxes are received by the General Fund that are designated for public safety capital improvements and the time that they are transferred to the Public Safety Improvement Fund.

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

## 6. Capital Assets

Governmental capital asset activity for the year ended December 31, 2009 was as follows:

	Balance - December 31, 2008	Increases	Decreases	Balance - December 31, 2009
Governmental activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 111,275,468	\$ 185,745	\$ —	\$ 111,461,213
Infrastructure	14,631,878	1,295,209	35,431	15,891,656
Construction in progress	5,750,402	1,182,737	5,084,984	1,848,155
Total capital assets not being depreciated	131,657,748	2,663,691	5,120,415	129,201,024
Capital assets being depreciated:				
Buildings and improvements	41,649,819	2,446,582	—	44,096,401
Machinery and equipment	14,335,411	911,917	917,521	14,329,807
Infrastructure	251,078,623	5,463,478	1,669,549	254,872,552
Total capital assets being depreciated	307,063,853	8,821,977	2,587,070	313,298,760
Less accumulated depreciation for:				
Buildings and improvements	12,311,301	1,406,812	—	13,718,113
Machinery and equipment	7,635,574	1,379,410	887,849	8,127,135
Infrastructure	74,862,202	5,672,616	568,977	79,965,841
Total accumulated depreciation	94,809,077	8,458,838	1,456,826	101,811,089
Total capital assets being depreciated, net	212,254,776	363,139	1,130,244	211,487,671
Governmental activity capital assets, net	\$ 343,912,524	\$ 3,026,830	\$ 6,250,659	\$ 340,688,695

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 445,848
Public safety	739,666
Public works	6,151,166
Parks and recreation	1,122,158
Total depreciation expense	<u>\$ 8,458,838</u>

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

#### 7. Capital Projects Authorized

The City has authorized street improvement and building construction projects. The following is a summary of capital projects, project authorization amounts and expenditures to date:

Project Number And Name		Authorized	Project-To-Date At Year End
80143	Nall Ave - 143rd to 139th Street	\$ 6,800,000	\$ 5,417,455
80162	143rd Street - Nall to Mission	13,500,000	867,246
80196	Park Place	5,500,000	5,211,143
80197	Villaggio	4,400,000	4,582,089
80118	Park Improvements	600,000	28,206
80189	Roe Ave - 140th to 143rd	1,300,000	911,698
80403	Signalization at 135th and Fontana	820,000	743,710
80208	Residential Phase I Year 5	2,500,000	2,206,965
80209	Residential Phase II Year 1	1,500,000	1,271,624
80210	Residential Phase II Year 2	2,500,000	83,961
80400	Signalization at 128th and State Line	340,000	286,372
		\$ 39,760,000	\$ 21,610,469

#### 8. Temporary Notes

During the year, the City issued a series of temporary notes for the purpose of funding various capital improvement projects.

	Balance January 1, 2009		Additions	Retirements	Balance December 31, 2009
Temporary notes	\$ 20,760,000	\$ 19,870,000	\$ 20,760,000	\$ 19,870,000	

Temporary notes consisted of the following at December 31, 2009:

Maturing October 1, 2010:

2% General Obligation Temporary Notes	\$ 14,885,000
2% Taxable General Obligation Temporary Notes	4,985,000
	<u>\$ 19,870,000</u>

Premiums received, if any, upon issuance of temporary notes are included in other financing sources.

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

## 9. Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the year:

	Balance January 1, 2009			Balance December 31, 2009		Amount Due In 2010
		Increases	Decreases			
<b>Governmental Activities</b>						
General obligation bonds						
to be paid with:						
Tax levies	\$ 42,618,193	\$ —	\$ 4,215,193	\$ 38,403,000	\$ 4,175,100	
Special Benefit District						
Assessments	16,116,807	—	1,359,807	14,757,000	1,354,900	
Revenue bonds	1,345,000	—	380,000	965,000	385,000	
Deferred amounts						
on refunding	(971,028)	—	(115,431)	(855,597)	—	
Total bonds payable	59,108,972	—	5,839,569	53,269,403	5,915,000	
Capital leases	1,429,473	—	701,246	728,227	171,235	
Compensated absences*	993,336	1,495,266	1,385,667	1,102,935	882,348	
Net OPEB Obligation	458,733	261,347	—	720,080	—	
<b>Total Governmental Activity Debt</b>	<b>\$ 61,990,514</b>	<b>\$ 1,756,613</b>	<b>\$ 7,926,482</b>	<b>\$ 55,820,645</b>	<b>\$ 6,968,583</b>	

\* Compensated absences typically have been liquidated in the general fund.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements *(Continued)*

The detail of debt at December 31, 2009 follows:

#### **Governmental Activities Debt:**

##### **General Obligation Bonds To Be Paid With Tax Levies**

\$9,300,000, Series 2001-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 4% to 6%	\$	420,000
\$5,050,000, Series 2002-A General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 2.75% to 4.65%		4,015,000
\$632,345, Series 2003-A General Obligation Improvement Bonds due in annual installments through September 1, 2018; interest at 3.55% to 6.79%		365,000
\$10,205,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 2% to 4.13%		6,950,000
\$3,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3% to 5%		2,330,000
\$1,032,703, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5%		760,000
\$6,050,000, Series 2006-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 3.75% to 4%		4,835,000
\$6,405,000, Series 2006-B General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 3.5% to 4%		6,280,000
\$6,589,322, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4% to 4.375%		5,720,000
\$5,417,800 Series 2008-A General Obligation Refunding Bonds due in annual installments through September 1, 2013; interest at 3% to 3.25%		3,351,800
\$3,576,393 Series 2008-B General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 3% to 4.2%		3,376,200
		<u>38,403,000</u>

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### **General Obligation Bonds To Be Paid With Benefit District Assessments**

\$4,427,655, Series 2003-A General Obligation Improvement Bonds due in annual installments through September 1, 2018; interest at 2% to 4.13%	\$ 2,655,000
\$155,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2015; interest at 2% to 3.5%	155,000
\$1,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3% to 5%	750,000
\$3,057,297, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5%	2,230,000
\$450,678, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4% to 4.375%	390,000
\$1,082,200, Series 2008-A General Obligation Refunding Bonds due in annual installments through September 1, 2013; interest at 3%	368,200
\$6,098,607, Series 2008-B General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 3% to 4.2%	5,688,800
\$2,700,000, Series 2008-C Taxable General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 5% to 5.375%	2,520,000
	<u>14,757,000</u>

#### **Revenue Bond**

\$2,835,000, 2003 Leawood Public Building Commission Bonds due in annual installments through September 1, 2012; interest at 2% to 3%	965,000
	<u>54,125,000</u>
Less: Deferred amounts on refunding	<u>855,597</u>

#### **Total Bonds Payable**

53,269,403

#### **Capital Leases**

\$893,296, Lease for fire vehicles due in annual installments through March 1, 2013; interest at 4.1%	728,227
	<u>1,102,935</u>

#### **Compensated Absences**

720,080

#### **Net OPEB Obligation (Note 10)**

\$ 55,820,645

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

The annual debt service requirements to amortize the City's bonds and capital lease obligations at December 31, 2009 are as follows:

		Governmental Activities					
		General Obligation Bonds					
		Governmental		Benefit Districts		Total	
		Principal	Interest	Principal	Interest	Principal	Interest
2010	\$	4,175,100	\$ 1,445,220	\$ 1,354,900	\$ 565,106	\$ 5,530,000	\$ 2,010,326
2011		3,661,100	1,309,842	1,308,900	520,254	4,970,000	1,830,096
2012		3,402,900	1,185,557	1,307,100	474,747	4,710,000	1,660,304
2013		3,459,100	1,069,822	1,295,900	428,921	4,755,000	1,498,743
2014		3,119,000	949,292	1,201,000	382,909	4,320,000	1,332,201
2015-2019		13,415,000	3,094,722	5,650,000	1,231,397	19,065,000	4,326,119
2020-2024		6,770,800	690,160	2,639,200	280,738	9,410,000	970,898
2025-2028		400,000	43,500	—	—	400,000	43,500
		\$ 38,403,000	\$ 9,788,115	\$ 14,757,000	\$ 3,884,072	\$ 53,160,000	\$ 13,672,187

		Revenue Bonds		Capital Leases		Total	
		Principal	Interest	Principal	Interest	Principal	Interest
2010	\$	385,000	\$ 27,988	\$ 171,235	\$ 29,857	\$ 556,235	\$ 57,845
2011		395,000	17,400	178,256	22,837	573,256	40,237
2012		185,000	5,550	185,564	15,528	370,564	21,078
2013		—	—	193,172	7,920	193,172	7,920
		\$ 965,000	\$ 50,938	\$ 728,227	\$ 76,142	\$ 1,693,227	\$ 127,080

All debt has been issued either to acquire or construct capital assets, or to refund outstanding debt.

### Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2009, \$6,125,000 of bonds outstanding are considered defeased.

Kansas statutes limit the amount of general obligation debt that a unit of government can issue to 30% of the total assessed value of taxable property located within the City's boundaries. The legal debt capacity for the City of Leawood is \$207,931,626.

## **CITY OF LEAWOOD, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

#### Capital Leases

As discussed above, the City has land and equipment under capital leases. To account for financing leases of governmental activities, the City charges payments made during the fiscal period as debt service in the governmental fund financial statements. In the year that the asset is received, the City records the present value of future lease payments as capital outlay expenditure and as an offsetting other-financing source in the governmental fund financial statements. The present value of payments due in future periods is shown as a liability, and the gross amount is recorded as a capital asset, net of accumulated amortization, in the statement of net assets. As of December 31, 2009, the gross amount of capital assets under capital leases was \$953,296 in equipment, with net accumulated amortization of \$116,242.

#### Transportation Development District (TDD) Bonds

The City issued the following no-commitment special assessment bonds related to three City transportation development districts as follows:

\$490,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8% (Cornerstone Project)	\$ 400,000
\$170,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8% (Resurrection Project)	140,000
\$835,000, Series 2007 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2022; interest at 7.5% (Villaggio Project)	750,000
	<u>\$ 1,290,000</u>

The City is in no way liable for repayment of these bonds, but is only acting as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings. Accordingly, collection and repayment activity associated with these debt issuances has been reported in agency funds.

## **10. Other Information**

#### **Fund Deficit**

The deficit of \$12,108,795 in the Capital Projects Fund will be eliminated by future revenues or transfers.

**Commitments And Contingencies**

Defined Benefit Pension Plan

*Plan Description*

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F jointly issue a publicly available financial report that includes financial statements and required supplementary information for each system. The report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

*Funding Policy*

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-49,210 establishes a second tier program where each participating employer who affiliates for any purpose on or after July 1, 2009, beginning with the first payroll for services performed by an employee on or after July 1, 2009, shall deduct from the compensation of each member 6% of such member's compensation as employee contributions. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates.

The KPERS employer rate established by statute for calendar year 2009 was 5.54%. The City employer contributions to KPERS for the years ended December 31, 2009, 2008, and 2007 were \$431,121, \$447,085 and \$350,912, respectively, equal to the required contributions for each year. The KP&F uniform participating employer rate established for calendar year 2009 was 14.2%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. City contributions to KP&F for the years ended December 31, 2009, 2008, and 2007 were \$1,029,355, \$1,037,862, and \$899,235, respectively, equal to the required contributions for each year.

*Supplemental Retirement Programs*

The City offers its non-KP&F employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and/or salary deferral under Section 401(a). Under the plans, the City will match 50 cents on the dollar up to a maximum of 2.5% of the employee's annual salary. Employees may participate in both plans, but the City will only contribute matching funds to one of the plans. Contributions to the plans by the City and employees for 2009 were \$97,077 and \$516,907, respectively.

## **CITY OF LEAWOOD, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

#### Golf Course

The City's golf course is managed by a professional management firm. Under the terms of the management contract, each year the City and the firm agree on an operating budget, including anticipated revenues and expenditures (which include debt service and management fees) required to operate the golf course. In the event of a revenue shortfall, the City is obligated to advance monies for operations. In the event of an excess of revenues over expenditures, the City is to receive the excess less an agreed-upon contingency amount.

#### Federal and State Grants

The City has received financial assistance from various federal and state agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

#### Postemployment Benefits Other Than Pensions

##### *Plan Description*

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical and pharmacy coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERs) are eligible for benefits.

The City requires retirees to pay the same premiums charged to active participants, with a 2% additional charge for administrative expenses. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

##### *Funding Policy*

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### *Annual OPEB Cost and Net OPEB Obligation*

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Normal cost	\$ 147,192
Amortization of unfunded actuarial accrued liability	152,960
Annual required contribution (ARC)	<u>300,152</u>
Interest on net OPEB obligation	27,524
Adjustment to annual required contribution	<u>(34,218)</u>
Annual OPEB cost	<u><u>\$ 293,458</u></u>
Contributions made:	
Claims and fees paid on behalf of retirees	\$ 99,868
Less: Retiree contributions	67,757
Net employer contributions	<u>32,111</u>
<b>Change In Net Pension Obligation</b>	261,347
<b>Net OPEB Obligation, December 31, 2008</b>	<u>458,733</u>
<b>Net OPEB Obligation, December 31, 2009</b>	<u><u>\$ 720,080</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007, 2008 and 2009 were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
December 31, 2007	\$ 262,400	10.90%	\$ 233,795
December 31, 2008	262,297	14.24%	458,733
December 31, 2009	293,458	10.94%	720,080

#### *Funded Status and Funding Progress*

As of January 1, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$2,050,616, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,050,616. The covered payroll (annual payroll of active employees covered by the plan) was \$17,706,778 and the ratio of the UAAL to the covered payroll was 11.58%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### *Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6% after nine years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 27 years.

#### **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All potential claims, claims expenditures, and/or liabilities are reported immediately when it becomes evident that a loss has occurred or a claim may be made.

The City has addressed potential risk by purchasing various commercial insurance policies for certain insurable causes of loss. These policies cover property including buildings, contents, extra expenses, physical damage to vehicles, and contractor's equipment for direct damage due to many perils, including flood and earthquake.

## **CITY OF LEAWOOD, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

In addition, the City carries insurance for instances in which the City is held to be legally liable for bodily injury and property damage. Coverage includes general liability, firefighter's liability, automobile liability, physical damage to vehicles, law enforcement liability, employee dishonesty, public official's liability and excess liability coverage. The coverage provides \$500,000 limits per occurrence for all claims capped by the Kansas Tort Claims Act (KTCA). Liabilities that fall outside the KTCA are insured to an additional \$10,000,000 in excess liability limits with exception of Employment Practices Liability and Employee Benefit Plan Administration Liability which is covered up to \$2,000,000. Other miscellaneous coverage purchased includes theft of cash/securities and underground storage tank liability.

In certain cases, the City retains risks up to the individual policy deductible amounts and for losses in excess of any amounts not provided by the excess liability insurance coverage. Settled claims have not exceeded the commercial limits in any of the past three fiscal years.

During 2009, the City continued to participate in the Kansas Eastern Region Insurance Trust (KERIT) for workers' compensation coverage. The trust provides loss control services to all member entities. The City has an internal Safety Committee comprised of representatives from all departments. The committee reviews accidents, discusses safety issues and implements organizational-wide safety programs.

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## Required Supplementary Information

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# **CITY OF LEAWOOD, KANSAS**

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2009**

Required supplementary information includes financial information and disclosures that are required by GAAP but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
- Schedule of Funding Progress - Other Postemployment Benefits
- Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals

### **Budgetary Data**

GAAP is the budgetary basis of accounting

# CITY OF LEAWOOD, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND

For The Year Ended December 31, 2009

	Budgeted Amounts			Variance With Final Budget- Over (Under)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Taxes	\$ 24,646,643	\$ 24,079,323	\$ 23,535,204	\$ (544,119)
Licenses and permits	1,583,700	1,200,650	1,203,842	3,192
Intergovernmental	6,796,093	6,279,150	6,060,314	(218,836)
Charges for services	3,150,800	3,100,774	2,466,140	(634,634)
Fines and forfeitures	1,800,000	1,700,000	1,591,763	(108,237)
Interest	238,064	187,004	75,950	(111,054)
Contributions and other	38,000	38,000	316,644	278,644
<b>Total Revenues</b>	<b>38,253,300</b>	<b>36,584,901</b>	<b>35,249,857</b>	<b>(1,335,044)</b>
<b>Expenditures</b>				
Current:				
General government	6,912,800	6,593,414	5,740,799	(852,615)
Public safety	13,841,200	13,450,711	12,623,748	(826,963)
Public works	6,173,700	6,147,500	5,297,652	(849,848)
Parks and recreation	6,212,200	6,125,522	5,291,556	(833,966)
Debt service:				
Principal retirement	221,270	221,270	221,245	(25)
Interest	38,630	38,630	38,550	(80)
<b>Total Expenditures</b>	<b>33,399,800</b>	<b>32,577,047</b>	<b>29,213,550</b>	<b>(3,363,497)</b>
<b>Revenues Over Expenditures</b>	<b>4,853,500</b>	<b>4,007,854</b>	<b>6,036,307</b>	<b>2,028,453</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	150,000	150,000	150,000	—
Transfers out	(9,417,466)	(6,186,319)	(6,186,307)	(12)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,267,466)</b>	<b>(6,036,319)</b>	<b>(6,036,307)</b>	<b>(12)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (4,413,966)</b>	<b>\$ (2,028,465)</b>	<b>—</b>	<b>\$ 2,028,465</b>
<b>Fund Balance - Beginning Of Year</b>			<b>14,683,698</b>	
<b>Fund Balance - End Of Year</b>			<b>\$ 14,683,698</b>	

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## CITY OF LEAWOOD, KANSAS

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### SCHEDULE OF FUNDING PROGRESS OTHER POSTEMPLOYMENT BENEFITS For The Years Ended December 31, 2009, 2008 And 2007

Actuarial Valuation	(a) Actuarial Value Of Assets	(b) Actuarial Accrued Liability (AAL)	(b) - (a) Unfunded AAL (UAAL)	(a)/(b) Funded Ratio	(c) Annual Covered Payroll	(b)-(a)/(c) UAL As A Percentage Of Covered Payroll
January 1, 2007	\$ —	\$ 1,899,656	\$ 1,899,656	—	\$ 14,669,434	12.92%
January 1, 2008	—	2,108,577	2,108,577	—	15,027,461	14.03%
January 1, 2009	—	2,050,616	2,050,616	—	17,706,778	11.58%

## CITY OF LEAWOOD, KANSAS

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### COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION FOR STREETLIGHTS AND TRAFFIC SIGNALS December 31, 2009

The City has elected to use the Modified Approach as defined by GASB 34 for infrastructure reporting of its streetlights and traffic signals. Under GASB 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

The City manages the eligible infrastructure capital assets using an asset management system with the characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amounts to maintain and preserve at the established condition assessment level.

The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. It is the City's policy to maintain and preserve streetlights and traffic signals at least at 85% of their normal operating mode. Streetlights and traffic signals are often out of service due to the following factors: (1) life of lamp light; (2) accidents by vehicles or contractors who excavate in the City's Right of Ways; (3) weather, such as high winds, rain, snow and ice; (4) vandalism. During 2007, the City contracted with an outside service provider to perform inspections. The provider performs a monthly visual inspection on the streetlights and traffic signals and reports to the City Engineer. The City also relies on citizens to report street light and traffic signal outages or malfunctions. The City's policy is to repair/replace any outages or malfunction within 48 hours. The service provider's last three inspection reports show the following condition assessments: October 2009 - 98.1%; November 2009 - 98.8%; and December 2009 - 98.1%.

#### Schedule of needed-to-actual maintenance/preservation – streetlights and traffic signals

	2009	2008	2007	2006	2005
Needed	\$ 242,000	\$ 214,000	\$ 214,000	\$ 209,500	\$ 214,000
Actual	213,418	168,093	165,770	115,061	151,885

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**Supplementary Information**

**Combining And Individual Fund  
Financial Statements And Schedules**

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# CITY OF LEAWOOD, KANSAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance Over (Under) With Final Budget
General government:				
Administration:				
Personnel services	\$ 2,083,100	\$ 1,964,800	\$ 1,841,062	\$ (123,738)
Contractual services	1,401,200	1,263,807	942,307	(321,500)
Commodities	151,400	146,107	70,949	(75,158)
Total administration	3,635,700	3,374,714	2,854,318	(520,396)
Community development:				
Personnel services	1,103,900	1,021,100	962,653	(58,447)
Contractual services	111,800	139,350	70,229	(69,121)
Commodities	41,600	42,550	27,662	(14,888)
Total planning and development	1,257,300	1,203,000	1,060,544	(142,456)
Municipal court:				
Personnel services	538,900	502,000	472,633	(29,367)
Contractual services	60,400	76,211	53,112	(23,099)
Commodities	20,300	15,289	5,357	(9,932)
Total municipal court	619,600	593,500	531,102	(62,398)
Legal services:				
Personnel services	335,000	335,100	328,777	(6,323)
Contractual services	198,200	248,100	188,998	(59,102)
Commodities	2,800	2,800	945	(1,855)
Total legal services	536,000	586,000	518,720	(67,280)
Information services:				
Personnel services	516,100	488,100	455,082	(33,018)
Contractual services	197,600	197,600	178,399	(19,201)
Commodities	150,500	150,500	142,634	(7,866)
Total information services	864,200	836,200	776,115	(60,085)
Total general government	6,912,800	6,593,414	5,740,799	(852,615)
Public safety:				
Police:				
Personnel services	7,159,600	6,785,144	6,587,821	(197,323)
Contractual services	819,550	780,750	511,754	(268,996)
Commodities	600,650	596,450	325,733	(270,717)
Total police	8,579,800	8,162,344	7,425,308	(737,036)
Fire:				
Personnel services	4,793,400	4,828,675	4,828,543	(132)
Contractual services	261,900	245,592	203,766	(41,826)
Commodities	206,100	214,100	166,131	(47,969)
Total fire	5,261,400	5,288,367	5,198,440	(89,927)
Total public safety	13,841,200	13,450,711	12,623,748	(826,963)
Public works:				
Personnel services	3,322,400	3,174,300	3,026,305	(147,995)
Contractual services	1,673,100	1,785,358	1,372,721	(412,637)
Commodities	1,178,200	1,187,842	898,626	(289,216)
Total public works	6,173,700	6,147,500	5,297,652	(849,848)
Parks and recreation:				
Personnel services	3,607,700	3,468,536	3,232,150	(236,386)
Contractual services	1,915,450	1,908,351	1,465,413	(442,938)
Commodities	689,050	748,635	593,993	(154,642)
Total parks and recreation	6,212,200	6,125,522	5,291,556	(833,966)
Total expenditures	\$ 33,139,900	\$ 32,317,147	\$ 28,953,755	\$ (3,363,392)

# CITY OF LEAWOOD, KANSAS

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## OTHER NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2009

**Special Revenue Funds** – account for revenue sources that are restricted to expenditures for specific purposes.

*Special Alcohol Fund* – established to account for one-third of the Alcohol Tax Funds sent to the City quarterly from the State Treasurer's office, which is computed in compliance with K.S.A. Supp. 79-41A04 et seq., representing tax receipts and adjustments processed by the Department of Revenue. For cities over 6,000 populations, this amount is to be credited one-third to the General Fund, one-third to a Special Parks and Recreation Fund, and one-third to a Special Alcohol and Drug Program Fund. These monies are allocated yearly for distribution to agencies involved in drug and alcohol prevention and/or treatment programs that are approved by the City Council in specified amounts on a yearly basis.

*Special City Highway Fund* – established to account for monies received from the State for shared gas tax revenues, in accordance with K.S.A. Statute 79-3425c(c).

*Special Parks and Recreation Fund* – established to account for one-third of the Alcohol Tax funds that are sent to the City quarterly by the State Treasurer's office.

*Special Law Enforcement Fund* – established to provide depository for monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 65-4135 and a65-4156 related to controlled substance investigation forfeitures. Expenditures from this fund shall be made only for authorized law enforcement purposes of the City of Leawood Police Department. Any monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 1988 Supp. 65-4156, and any subsequent amendments thereto, shall be deposited in this fund.

*Public Building Commission Fund* – established to acquire assets and construct facilities and infrastructure for the benefit of the City by issuance of revenue bonds.

*American Revolution Tri-Centennial Fund* – established to account for monies donated by the Leawood American Revolution Bicentennial Committee. These monies are to be continually reinvested by the City until the year 2076. It is intended that this fund then be used for the overall benefit for the citizens of the City on a special American Revolution Tri-Centennial event or project, needed community facilities, equipment or programs.

*Transient Guest Tax Fund* – established to account for monies levied by the City and paid by transient guests for lodging or sleeping accommodations in any hotel or motel. The tax monies collected will be used to promote economic development, conventions and tourism and related expenditures and such other purposes as may be determined by the Governing Body.

## CITY OF LEAWOOD, KANSAS

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### OTHER NON-MAJOR GOVERNMENTAL FUNDS (*Continued*)

December 31, 2009

**Debt Service Funds** – account for resources to be used for the payment of long-term debt principal, interest and related costs.

*Park Place Debt Service Fund* – established to account for collections and remittance of Transportation Development District taxes.

**Capital Projects Funds** – account for resources used for the acquisition and/or construction of capital projects not being financed by other funds.

*Municipal Equipment Reserve Fund* – created to finance the acquisition of City equipment. Monies may be budgeted and transferred to the fund from any source which may be lawfully utilized for such purposes, including equipment use charges on the various departments and agencies of the City.

*Street Improvements* – established to account for the pay-as-you-go portion of the annual mill and overlay, slurry seal and arterial street repairs.

*City Art* – established to account for funds used by the Arts Council for the selection and placement of public art on City property.

*Park Impact Fee Fund* – established to account for fees imposed by the City on all new development in South Leawood and all fees collected shall be used solely and exclusively for the purpose of acquisition and development of park land and open space made necessary by and serving such new development.

*1/8<sup>th</sup> Cent Sales Tax Fund* – established to fund an accelerated residential and thoroughfare street improvement program, and to fund storm water improvement projects which are not otherwise eligible for funding from other governmental sources.

*Leawood Transportation Impact Fee Fund* – established to account for fees imposed on new development in South Leawood for the purpose of assuring that transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service deemed adequate by the City. The impact fee shall be imposed on all new development in South Leawood, except as may be otherwise provided, and all fees collected shall be utilized solely and exclusively for transportation improvements in South Leawood serving such new development.

*Highway K-150 Corridor Impact Fee Fund* – established to account for fees imposed on new development in the K-150 corridor for the purpose of assuring that K-150 highway transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service on Highway K-150 deemed adequate by the City. The impact fee shall be imposed on all new development in the K-150 corridor and all fees collected shall be utilized solely and exclusively for transportation improvements in the K-150 corridor servicing such new development.

*Public Art Impact Fee Fund* – established by the City for the purpose of acquisition and construction of Public Art. A Public Art impact fee is imposed by the City on all new commercial development and commercial remodels in Leawood.

# CITY OF LEAWOOD, KANSAS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2009

Page 1 Of 2

	Special Revenue							Debt Service
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	Public Building Commission	American Revolution Tri-Centennial	Transient Guest Tax	Park Place
<b>Assets</b>								
Pooled cash and investments	\$ 280,923	\$ 338,398	\$ 207,211	\$ 940	\$ —	\$ 8,183	\$ —	\$ —
Receivables:								
Sales tax	—	—	—	—	—	—	—	—
Transient Guest Tax	—	—	—	—	—	—	22,610	—
Interest	—	—	—	—	—	85	—	—
Intergovernmental	92,000	—	92,000	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 372,923</b>	<b>\$ 338,398</b>	<b>\$ 299,211</b>	<b>\$ 940</b>	<b>\$ —</b>	<b>\$ 8,268</b>	<b>\$ 22,610</b>	<b>\$ —</b>
<b>Liabilities And Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 655	\$ 6,502	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Fund Balances</b>								
Unreserved:								
Capital projects funds	—	—	—	—	—	—	—	—
Special revenue funds	372,268	331,896	299,211	940	—	8,268	22,610	—
<b>Total Fund Balances</b>	<b>372,268</b>	<b>331,896</b>	<b>299,211</b>	<b>940</b>	<b>—</b>	<b>8,268</b>	<b>22,610</b>	<b>—</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 372,923</b>	<b>\$ 338,398</b>	<b>\$ 299,211</b>	<b>\$ 940</b>	<b>\$ —</b>	<b>\$ 8,268</b>	<b>\$ 22,610</b>	<b>\$ —</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2009

Page 2 Of 2

	Capital Projects								Total Nonmajor
	Municipal Equipment Reserve	Street Improve- ments	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	Highway K-150 Corridor Impact Fee	Public Art Impact Fee	Other Governmental Funds
<b>Assets</b>									
Pooled cash and investments	\$ 3,079,649	\$ 1,970,194	\$ 378,354	\$ 29,672	\$ 626,456	\$ 22,791	\$ 644,957	\$ 192,947	\$ 7,780,675
Receivables:									
Sales tax	—	—	—	—	129,790	—	—	—	129,790
Transient Guest Tax	—	—	—	—	—	—	—	—	22,610
Interest	2,125	13,884	2,580	—	—	—	799	1,384	20,857
Intergovernmental	—	6,914	—	—	—	—	—	—	190,914
<b>Total Assets</b>	<b>\$ 3,081,774</b>	<b>\$ 1,990,992</b>	<b>\$ 380,934</b>	<b>\$ 29,672</b>	<b>\$ 756,246</b>	<b>\$ 22,791</b>	<b>\$ 645,756</b>	<b>\$ 194,331</b>	<b>\$ 8,144,846</b>
<b>Liabilities And Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable and accrued liabilities	\$ 26,899	\$ 35,055	\$ 3,310	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 72,421
<b>Fund Balances</b>									
Unreserved:									
Capital projects funds	3,054,875	1,955,937	377,624	29,672	756,246	22,791	645,756	194,331	7,037,232
Special revenue funds	—	—	—	—	—	—	—	—	1,035,193
<b>Total Fund Balances</b>	<b>3,054,875</b>	<b>1,955,937</b>	<b>377,624</b>	<b>29,672</b>	<b>756,246</b>	<b>22,791</b>	<b>645,756</b>	<b>194,331</b>	<b>8,072,425</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 3,081,774</b>	<b>\$ 1,990,992</b>	<b>\$ 380,934</b>	<b>\$ 29,672</b>	<b>\$ 756,246</b>	<b>\$ 22,791</b>	<b>\$ 645,756</b>	<b>\$ 194,331</b>	<b>\$ 8,144,846</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2009

Page 1 Of 2

	Special Revenue						Debt Service	
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	Public Building Commission	American Revolution Tri-Centennial	Transient Guest Tax	Park Place
<b>Revenues</b>								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 22,610	\$ —
Licenses and permits	—	—	—	—	—	—	—	—
Intergovernmental	389,251	786,673	389,252	—	—	—	—	—
Interest	140	2,316	69	2	—	153	—	—
Contributions and other	—	—	—	—	—	—	—	—
<b>Total Revenues</b>	<b>389,391</b>	<b>788,989</b>	<b>389,321</b>	<b>2</b>	<b>—</b>	<b>153</b>	<b>22,610</b>	<b>—</b>
<b>Expenditures</b>								
General government	109,535	—	—	—	—	—	—	318
Public safety	—	—	—	—	—	—	—	—
Parks and recreation	—	—	—	—	—	—	—	—
Capital outlay								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—
Public works	—	1,168,538	—	—	—	—	—	—
Parks and recreation	—	—	315,177	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	380,000	—	—	—
Interest and fiscal charges	—	—	—	—	37,488	—	—	—
<b>Total Expenditures</b>	<b>109,535</b>	<b>1,168,538</b>	<b>315,177</b>	<b>—</b>	<b>417,488</b>	<b>—</b>	<b>—</b>	<b>318</b>
<b>Revenues Over (Under) Expenditures</b>	<b>279,856</b>	<b>(379,549)</b>	<b>74,144</b>	<b>2</b>	<b>(417,488)</b>	<b>153</b>	<b>22,610</b>	<b>(318)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	—	200,000	—	—	417,488	—	—	—
Transfers out	(150,000)	—	—	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>(150,000)</b>	<b>200,000</b>	<b>—</b>	<b>—</b>	<b>417,488</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>129,856</b>	<b>(179,549)</b>	<b>74,144</b>	<b>2</b>	<b>—</b>	<b>153</b>	<b>22,610</b>	<b>(318)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>242,412</b>	<b>511,445</b>	<b>225,067</b>	<b>938</b>	<b>—</b>	<b>8,115</b>	<b>—</b>	<b>318</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 372,268</b>	<b>\$ 331,896</b>	<b>\$ 299,211</b>	<b>\$ 940</b>	<b>\$ —</b>	<b>\$ 8,268</b>	<b>\$ 22,610</b>	<b>\$ —</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2009

Page 2 Of 2

	Capital Projects								Total Nonmajor Other Governmental Funds
	Municipal Equipment Reserve	Street Improvements	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	Highway K-150 Corridor Impact Fee	Public Art Impact Fee	
<b>Revenues</b>									
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 689,691	\$ —	\$ —	\$ —	\$ 712,301
Licenses and permits	—	—	—	8,400	—	—	—	2,250	10,650
Intergovernmental	—	460,951	—	—	—	—	—	—	2,026,127
Interest	16,220	9,923	1,270	5,292	402	38	5,734	680	42,239
Contributions and other	28,754	—	—	—	—	—	—	—	28,754
<b>Total Revenues</b>	<b>44,974</b>	<b>470,874</b>	<b>1,270</b>	<b>13,692</b>	<b>690,093</b>	<b>38</b>	<b>5,734</b>	<b>2,930</b>	<b>2,820,071</b>
<b>Expenditures</b>									
General government	—	—	—	—	—	—	—	—	109,853
Public safety	—	—	—	—	—	—	—	—	—
Parks and recreation	—	—	10,536	—	—	—	—	—	10,536
Capital outlay									
General Government	212,470	—	—	—	—	—	—	—	212,470
Public safety	151,107	—	—	—	—	—	—	—	151,107
Public works	341,452	1,085,375	—	—	138,820	—	—	—	2,734,185
Parks and recreation	182,355	—	34,521	—	—	—	—	2,846	534,899
Debt service:									
Principal retirement	—	—	—	480,000	—	—	—	—	860,000
Interest and fiscal charges	—	—	—	28,800	—	—	—	—	66,288
<b>Total Expenditures</b>	<b>887,384</b>	<b>1,085,375</b>	<b>45,057</b>	<b>508,800</b>	<b>138,820</b>	<b>—</b>	<b>—</b>	<b>2,846</b>	<b>4,679,338</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(842,410)</b>	<b>(614,501)</b>	<b>(43,787)</b>	<b>(495,108)</b>	<b>551,273</b>	<b>38</b>	<b>5,734</b>	<b>84</b>	<b>(1,859,267)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	915,755	856,200	99,120	—	—	—	—	—	2,488,563
Transfers out	—	—	—	—	(325,000)	—	—	—	(475,000)
<b>Total Other Financing Sources (Uses)</b>	<b>915,755</b>	<b>856,200</b>	<b>99,120</b>	<b>—</b>	<b>(325,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,013,563</b>
<b>Net Change In Fund Balances</b>	<b>73,345</b>	<b>241,699</b>	<b>55,333</b>	<b>(495,108)</b>	<b>226,273</b>	<b>38</b>	<b>5,734</b>	<b>84</b>	<b>154,296</b>
<b>Fund Balances - Beginning Of Year</b>	<b>2,981,530</b>	<b>1,714,238</b>	<b>322,291</b>	<b>524,780</b>	<b>529,973</b>	<b>22,753</b>	<b>640,022</b>	<b>194,247</b>	<b>7,918,129</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 3,054,875</b>	<b>\$ 1,955,937</b>	<b>\$ 377,624</b>	<b>\$ 29,672</b>	<b>\$ 756,246</b>	<b>\$ 22,791</b>	<b>\$ 645,756</b>	<b>\$ 194,331</b>	<b>\$ 8,072,425</b>

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# CITY OF LEAWOOD, KANSAS

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## SPECIAL ALCOHOL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For The Year Ended December 31, 2009

	Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 311,005	\$ 389,251	\$ 78,246
Interest	983	140	(843)
<b>Total Revenues</b>	311,988	389,391	77,403
<b>Expenditures</b>			
General government	120,000	109,535	(10,465)
<b>Excess Of Revenues Over Expenses</b>	191,988	279,856	87,868
<b>Other Financing Uses</b>			
Transfers out	(150,000)	(150,000)	—
<b>Net Change In Fund Balance</b>	<u>\$ 41,988</u>	129,856	<u>\$ 87,868</u>
<b>Fund Balance - Beginning Of Year</b>		<u>242,412</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 372,268</u>	

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# CITY OF LEAWOOD, KANSAS

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## SPECIAL CITY HIGHWAY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For The Year Ended December 31, 2009

	Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 804,290	\$ 786,673	\$ (17,617)
Interest	3,265	2,316	(949)
<b>Total Revenues</b>	807,555	788,989	(18,566)
<b>Expenditures</b>			
Capital outlay	1,253,200	1,168,538	(84,662)
<b>Excess Of Expenses Over Revenues</b>	(445,645)	(379,549)	66,096
<b>Other Financing Sources</b>			
Transfers in	200,000	200,000	—
<b>Net Change In Fund Balance</b>	<u>\$ (245,645)</u>	<u>(179,549)</u>	<u>\$ 66,096</u>
<b>Fund Balance - Beginning Of Year</b>		<u>511,445</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 331,896</u>	

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# CITY OF LEAWOOD, KANSAS

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## SPECIAL PARKS AND RECREATION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For The Year Ended December 31, 2009

	Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 311,005	\$ 389,252	\$ 78,247
Interest	2,028	69	(1,959)
<b>Total Revenues</b>	<b>313,033</b>	<b>389,321</b>	<b>76,288</b>
<b>Expenditures</b>			
Parks and recreation	12,123	—	(12,123)
Capital outlay	375,177	315,177	(60,000)
<b>Total Expenditures</b>	<b>387,300</b>	<b>315,177</b>	<b>(72,123)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (74,267)</b>	<b>74,144</b>	<b>\$ 148,411</b>
<b>Fund Balance - Beginning Of Year</b>		<b>225,067</b>	
<b>Fund Balance - End Of Year</b>		<b>\$ 299,211</b>	

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# CITY OF LEAWOOD, KANSAS

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## SPECIAL LAW ENFORCEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For The Year Ended December 31, 2009

	Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Interest	\$ 12	\$ 2	\$ (10)
<b>Expenditures</b>			
Public safety	950	—	(950)
<b>Net Change In Fund Balance</b>	<u>\$ (938)</u>	2	<u>\$ 940</u>
<b>Fund Balance - Beginning Of Year</b>		<u>938</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 940</u>	

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# CITY OF LEAWOOD, KANSAS

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## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For The Year Ended December 31, 2009

	Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Taxes	\$ 4,963,688	\$ 4,854,004	\$ (109,684)
Intergovernmental	449,638	466,648	17,010
Special assessments	1,930,307	2,015,839	85,532
Interest	70,011	52,526	(17,485)
<b>Total Revenues</b>	<b>7,413,644</b>	<b>7,389,017</b>	<b>(24,627)</b>
<b>Expenditures</b>			
Debt service:			
Principal retirement	5,577,500	5,575,000	(2,500)
Interest and fiscal charges	2,301,300	2,187,339	(113,961)
<b>Total Expenditures</b>	<b>7,878,800</b>	<b>7,762,339</b>	<b>(116,461)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (465,156)</b>	<b>(373,322)</b>	<b>\$ 91,834</b>
<b>Fund Balance - Beginning Of Year</b>		<b>7,977,756</b>	
<b>Fund Balance - End Of Year</b>		<b>\$ 7,604,434</b>	

# CITY OF LEAWOOD, KANSAS

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS December 31, 2009

	Employee Giving	Insurance Proceeds	TDD - Resurrection Project	TDD - Cornerstone	TDD - Villaggio	TDD - One Nineteen	TDD - Park Place	Total Agency Funds
<b>Assets</b>								
Pooled cash and investments	\$ 897	\$ —	\$ 551	\$ 551	\$ —	\$ 281,013	\$ 157,007	\$ 440,019
Special assessments	—	—	140,000	400,000	750,000	70,673	21,268	1,381,941
<b>Total Assets</b>	<b>\$ 897</b>	<b>\$ —</b>	<b>\$ 140,551</b>	<b>\$ 400,551</b>	<b>\$ 750,000</b>	<b>\$ 351,686</b>	<b>\$ 178,275</b>	<b>\$ 1,821,960</b>
<b>Liabilities</b>								
Due to employees	\$ 897	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 897
Due to other taxing jurisdiction	—	—	140,551	400,551	750,000	351,686	178,275	1,821,063
<b>Total Liabilities</b>	<b>\$ 897</b>	<b>\$ —</b>	<b>\$ 140,551</b>	<b>\$ 400,551</b>	<b>\$ 750,000</b>	<b>\$ 351,686</b>	<b>\$ 178,275</b>	<b>\$ 1,821,960</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For The Year Ended December 31, 2009

	Balance Beginning Of Year	Additions	Deductions	Balance End Of Year
<b>Agency Funds - Employee Giving</b>				
Assets:				
Pooled cash and investments	\$ 654	\$ 1,343	\$ 1,100	\$ 897
Liabilities:				
Due to employees	\$ 654	\$ 1,343	\$ 1,100	\$ 897
<b>Agency Funds - Insurance Proceeds</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 212,561	\$ 212,561	\$ —
Liabilities:				
Due to Property Owner	\$ —	\$ 212,561	\$ 212,561	\$ —
<b>Transportation Development District - Resurrection Project</b>				
Assets:				
Pooled cash and investments	\$ 176	\$ 22,375	\$ 22,000	\$ 551
Special assessments	150,000	—	10,000	140,000
	\$ 150,176	\$ 22,375	\$ 32,000	\$ 140,551
Liabilities:				
Due to bondholders	\$ 150,176	\$ 22,375	\$ 32,000	\$ 140,551
<b>Transportation Development District - Cornerstone</b>				
Assets:				
Pooled cash and investments	\$ 176	\$ 64,775	\$ 64,400	\$ 551
Special assessments	430,000	—	30,000	400,000
	\$ 430,176	\$ 64,775	\$ 94,400	\$ 400,551
Liabilities:				
Due to bondholders	\$ 430,176	\$ 64,775	\$ 94,400	\$ 400,551
<b>Transportation Development District - Villaggio</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 94,791	\$ 94,791	\$ —
Special assessments	785,000	—	35,000	750,000
	\$ 785,000	\$ 94,791	\$ 129,791	\$ 750,000
Liabilities:				
Due to bondholders	\$ 785,000	\$ 94,791	\$ 129,791	\$ 750,000
<b>Transportation Development District - One Nineteen</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 281,013	\$ —	\$ 281,013
Special assessments	—	70,673	—	70,673
	\$ —	\$ 351,686	\$ —	\$ 351,686
Liabilities:				
Due to bondholders	\$ —	\$ 351,686	\$ —	\$ 351,686
<b>Transportation Development District - Park Place</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 157,007	\$ —	\$ 157,007
Special assessments	—	21,268	—	21,268
	\$ —	\$ 178,275	\$ —	\$ 178,275
Liabilities:				
Due to bondholders	\$ —	\$ 178,275	\$ —	\$ 178,275
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and investments	\$ 1,006	\$ 833,865	\$ 394,852	\$ 440,019
Special assessments	1,365,000	91,941	75,000	1,381,941
Total assets	\$ 1,366,006	\$ 925,806	\$ 469,852	\$ 1,821,960
Liabilities:				
Due to employees	\$ 654	\$ 1,343	\$ 1,100	\$ 897
Due to property owners	—	212,561	212,561	—
Due to bondholders	1,365,352	711,902	256,191	1,821,063
Total liabilities	\$ 1,366,006	\$ 925,806	\$ 469,852	\$ 1,821,960

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## Statistical Section

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**CITY OF LEAWOOD, KANSAS**  
**Statistical Section**  
**December 31, 2009**

This part of the City of Leawood's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

## **Contents**

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### **Schedules**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. .... 1 - 6

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source: property tax ..... 7 - 10

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. .... 11 - 14

#### **Demographic And Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. .... 15 - 17

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. .... 18 - 19

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

# CITY OF LEAWOOD, KANSAS

## NET ASSETS BY COMPONENT LAST SIX FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 1

	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt	\$ 228,815,457	\$ 232,831,295	\$ 275,588,463	\$ 282,198,655	\$ 284,021,389	\$ 286,691,065
Restricted	7,166,833	7,522,989	7,606,885	9,360,053	14,395,675	16,949,599
Unrestricted	22,249,356	28,882,905	23,418,717	21,494,113	33,303,879	31,430,291
<b>Total Governmental Activities Net Assets</b>	<b>\$ 258,231,646</b>	<b>\$ 269,237,189</b>	<b>\$ 306,614,065</b>	<b>\$ 313,052,821</b>	<b>\$ 331,720,943</b>	<b>\$ 335,070,955</b>
<b>Business-Type Activities</b>						
Invested in capital assets, net of related debt	\$ 2,995,456	\$ 3,192,892	\$ —	\$ —	\$ —	\$ —
Unrestricted	(1,735,685)	(1,761,214)	—	—	—	—
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 1,259,771</b>	<b>\$ 1,431,678</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Primary government</b>						
Invested in capital assets, net of related debt	\$ 231,810,913	\$ 236,024,187	\$ 275,588,463	\$ 282,198,655	\$ 284,021,389	\$ 286,691,065
Restricted	7,166,833	7,522,989	7,606,885	9,360,053	14,395,675	16,949,599
Unrestricted	22,249,356	28,882,905	23,418,717	21,494,113	33,303,879	31,430,291
<b>Total Primary Government Net Assets</b>	<b>\$ 259,491,417</b>	<b>\$ 270,668,867</b>	<b>\$ 306,614,065</b>	<b>\$ 313,052,821</b>	<b>\$ 331,720,943</b>	<b>\$ 335,070,955</b>

- (1) In 2006, the City retroactively capitalized stormwater infrastructure in the amount of \$25,207,590.
- (2) Effective January 1, 2007, the activities of the City's business-type activity are reported with governmental activities. Accordingly, the net assets of the business-type activities were transferred to the governmental activities at December 31, 2006.

# CITY OF LEAWOOD, KANSAS

## CHANGES IN NET ASSETS LAST SIX FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 2

	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental activities:						
General government	\$ 4,747,939	\$ 5,117,718	\$ 4,752,202	\$ 5,348,073	\$ 6,263,238	\$ 6,216,550
Public safety	10,975,002	11,229,154	11,682,872	12,478,924	14,073,114	13,599,525
Public works	12,658,853	15,546,967	17,121,498	21,700,170	16,772,929	15,358,193
Parks and recreation	3,544,545	3,753,994	3,816,310	5,123,793	5,432,457	6,602,530
Interest on long-term debt	2,498,981	2,737,987	3,496,801	3,484,390	3,040,032	2,800,190
Total governmental activities	34,425,320	38,385,820	40,869,683	48,135,350	45,581,770	44,576,988
Business-type activities: (1)						
Golf course	2,287,663	2,414,478	2,153,020	—	—	—
<b>Total Primary Government Expenses</b>	<b>\$ 36,712,983</b>	<b>\$ 40,800,298</b>	<b>\$ 43,022,703</b>	<b>\$ 48,135,350</b>	<b>\$ 45,581,770</b>	<b>\$ 44,576,988</b>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
General government	\$ 2,010,249	\$ 2,096,548	\$ 2,053,315	\$ 2,163,970	\$ 3,459,182	\$ 2,669,200
Public safety	98,647	93,050	114,496	131,806	117,901	117,873
Public works	2,859,835	2,083,496	1,876,606	2,906,444	159,082	36,547
Parks and recreation	990,564	1,029,053	1,109,853	1,258,691	2,054,396	2,448,775
Operating grants and contributions	859,665	152,984	792,403	2,007,683	165,828	468,238
Capital grants and contributions	7,707,622	16,893,649	8,476,782	4,793,850	16,109,458	1,014,264
Total governmental activities program revenues	14,526,582	22,348,780	14,423,455	13,262,444	22,065,847	6,754,897
Business-type activities: (1)						
Golf Course						
Charges for services	2,014,759	2,007,047	1,825,144	—	—	—
Capital grants and contributions	182,084	—	—	—	—	—
Total business-type activities program revenues	2,196,843	2,007,047	1,825,144	—	—	—
Total primary government program revenues	<b>\$ 16,723,425</b>	<b>\$ 24,355,827</b>	<b>\$ 16,248,599</b>	<b>\$ 13,262,444</b>	<b>\$ 22,065,847</b>	<b>\$ 6,754,897</b>
Net (expense) revenue:						
Governmental activities	\$(19,898,738)	\$(16,037,040)	\$(26,446,228)	\$(34,872,906)	\$(23,515,923)	\$(37,822,091)
Business-type activities: (1)	(90,820)	(407,431)	(327,876)	—	—	—
Total primary government net expense	<b>\$(19,989,558)</b>	<b>\$(16,444,471)</b>	<b>\$(26,774,104)</b>	<b>\$(34,872,906)</b>	<b>\$(23,515,923)</b>	<b>\$(37,822,091)</b>
<b>General Revenues And Other Changes In Net Assets</b>						
Governmental activities:						
Taxes						
Property taxes, levied for general purpose	\$ 8,306,371	\$ 8,716,271	\$ 11,959,344	\$ 10,037,224	\$ 12,887,965	\$ 13,654,784
Property taxes, levied for debt service	6,266,815	5,896,324	3,838,579	6,806,038	5,324,394	5,477,801
Sales taxes	11,430,251	11,923,933	12,222,897	14,819,839	15,592,847	14,798,437
Transient guest tax	—	—	—	—	—	22,610
Franchise taxes	2,452,402	2,632,536	2,648,951	2,930,764	3,153,438	3,042,295
Other taxes	566,721	576,723	769,263	840,948	1,039,920	1,167,753
Unrestricted grants and contributions	1,590,986	2,290,236	2,380,457	2,498,880	2,468,242	2,323,161
Unrestricted investment earnings	746,382	1,789,313	2,976,921	2,947,277	1,200,836	373,546
Miscellaneous	234,606	102,475	112,838	430,692	516,403	311,716
Transfers in (out)	(445,100)	(579,137)	1,134,847	—	—	—
Total governmental activities	31,149,434	33,348,674	38,044,097	41,311,662	42,184,045	41,172,103
Business-type activities: (1)						
Unrestricted investment earnings	254	201	247	—	—	—
Miscellaneous	196	—	30,798	—	—	—
Transfers in (out)	445,100	579,137	(1,134,847)	—	—	—
Total business-type activities:	445,550	579,338	(1,103,802)	—	—	—
Total Primary Government	<b>\$ 31,594,984</b>	<b>\$ 33,928,012</b>	<b>\$ 36,940,295</b>	<b>\$ 41,311,662</b>	<b>\$ 42,184,045</b>	<b>\$ 41,172,103</b>
<b>Change In Net Assets</b>						
Governmental activities	\$ 11,250,696	\$ 17,311,634	\$ 11,597,869	\$ 6,438,756	\$ 18,668,122	\$ 3,350,012
Business-type activities: (1)	354,730	171,907	(1,431,678)	—	—	—
Total primary government	<b>\$ 11,605,426</b>	<b>\$ 17,483,541</b>	<b>\$ 10,166,191</b>	<b>\$ 6,438,756</b>	<b>\$ 18,668,122</b>	<b>\$ 3,350,012</b>

(1) Effective January 1, 2007, the activities of the City's business-type activity are reported with governmental activities.

# CITY OF LEAWOOD, KANSAS

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST SIX FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 3

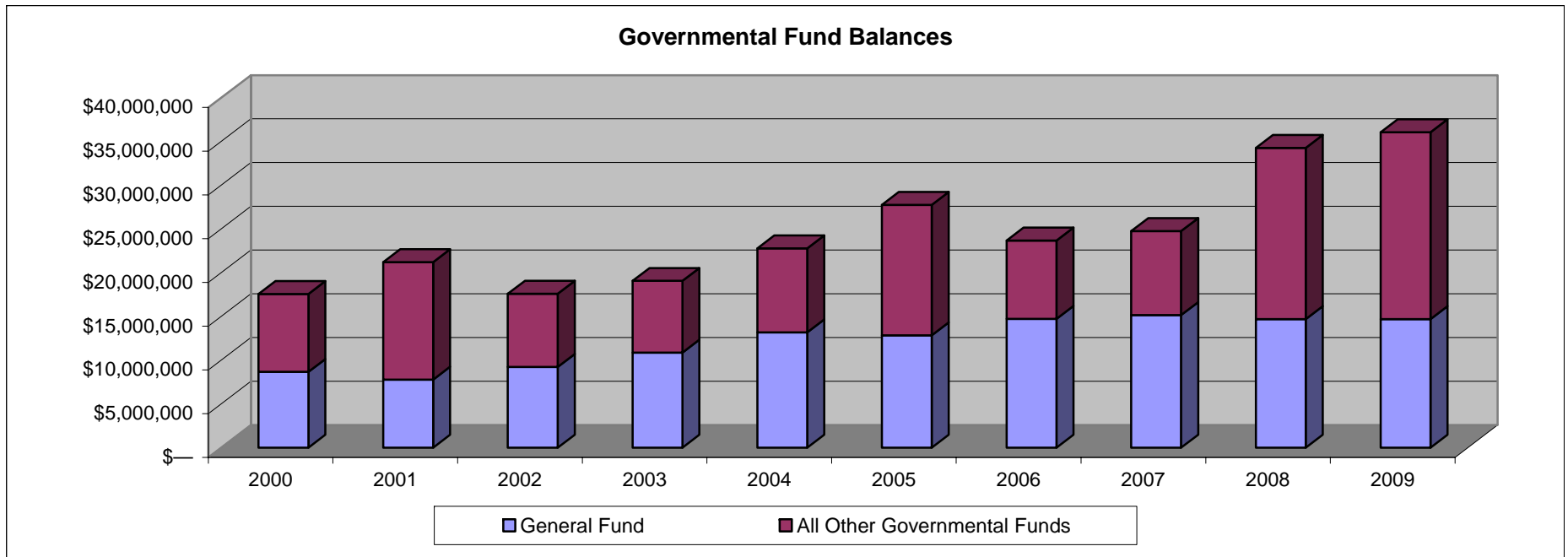
Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Transient Guest Tax	Other Taxes	Total
2004	\$ 14,573,186	\$ 11,430,251	\$ 2,452,402	\$ —	\$ 566,721	\$ 29,022,560
2005	14,612,595	11,923,933	2,632,536	—	576,723	29,745,787
2006	15,797,923	12,222,897	2,648,951	—	769,263	31,439,034
2007	16,843,262	14,819,839	2,930,764	—	840,948	35,434,813
2008	18,212,359	15,592,847	3,153,438	—	1,039,920	37,998,564
2009	19,132,585	14,798,437	3,042,295	22,610	1,167,753	38,163,680

# CITY OF LEAWOOD, KANSAS

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

### Schedule 4

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>										
Reserved	\$ 350,624	\$ 805,954	\$ 1,309,030	\$ 1,239,976	\$ 1,197,867	\$ 1,076,631	\$ 55,185	\$ 390,617	\$ 284,019	\$ 130,404
Unreserved	8,301,513	6,960,602	7,921,720	9,607,178	11,974,459	11,751,740	14,651,607	14,764,086	14,399,479	14,553,294
<b>Total General Fund</b>	<b>\$ 8,652,137</b>	<b>\$ 7,766,556</b>	<b>\$ 9,230,750</b>	<b>\$ 10,847,154</b>	<b>\$ 13,172,326</b>	<b>\$ 12,828,371</b>	<b>\$ 14,706,792</b>	<b>\$ 15,154,703</b>	<b>\$ 14,683,498</b>	<b>\$ 14,683,698</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 2,629,832	\$ 2,712,643	\$ 2,698,523	\$ 3,143,615	\$ 5,239,707	\$ 6,945,422	\$ 5,922,766	\$ 7,822,871	\$ 12,877,724	\$ 15,180,770
Unreserved, reported in:										
Special revenue funds	280,878	162,337	173,258	183,656	319,207	525,975	784,576	855,578	987,977	1,035,193
Capital projects funds	5,999,125	10,572,097	5,501,938	4,884,924	4,037,678	7,461,892	2,265,856	935,662	5,707,914	5,146,007
<b>Total All Other Governmental Funds</b>	<b>\$ 8,909,835</b>	<b>\$ 13,447,077</b>	<b>\$ 8,373,719</b>	<b>\$ 8,212,195</b>	<b>\$ 9,596,592</b>	<b>\$ 14,933,289</b>	<b>\$ 8,973,198</b>	<b>\$ 9,614,111</b>	<b>\$ 19,573,615</b>	<b>\$ 21,361,970</b>



# CITY OF LEAWOOD, KANSAS

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

### Schedule 5

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 15,792,474	\$ 17,303,981	\$ 18,012,526	\$ 19,633,539	\$ 22,456,229	\$ 23,835,129	\$ 25,158,674	\$ 29,249,530	\$ 31,752,311	\$ 31,778,195
Licenses and permits	1,715,790	2,502,458	2,884,530	2,654,280	3,314,093	2,688,264	2,386,747	3,478,106	1,956,624	1,214,492
Intergovernmental	8,673,871	8,260,309	10,608,104	8,536,970	11,748,623	12,281,449	9,707,954	11,056,644	8,905,900	8,553,089
Charges for services	948,730	1,031,295	1,169,993	1,090,801	1,088,487	1,106,078	1,208,832	1,223,540	2,035,411	2,466,140
Fines and forfeitures	1,331,258	1,092,075	1,223,716	1,686,069	1,553,840	1,507,805	1,557,941	1,759,263	1,798,526	1,591,763
Special assessments	1,301,357	1,318,124	1,633,358	1,078,020	1,408,127	1,383,982	1,609,097	1,456,331	1,524,043	2,015,839
Interest	1,342,370	1,114,728	616,654	438,926	746,382	1,789,313	2,976,921	2,947,277	1,200,836	373,546
Contributions and other	220,967	465,662	842,827	363,687	694,737	205,384	807,892	535,774	579,917	345,398
<b>Total Revenues</b>	<b>31,326,817</b>	<b>33,088,632</b>	<b>36,991,708</b>	<b>35,482,292</b>	<b>43,010,518</b>	<b>44,797,404</b>	<b>45,414,058</b>	<b>51,706,465</b>	<b>49,753,568</b>	<b>48,338,462</b>
<b>Expenditures</b>										
General government	3,400,791	3,946,423	3,541,020	3,951,170	4,561,019	4,494,045	4,675,142	5,133,968	5,693,050	5,850,652
Public safety	7,412,129	8,120,894	9,895,329	9,185,875	10,350,561	10,488,343	10,948,107	11,498,384	12,245,002	12,623,748
Public works	5,487,842	6,861,434	9,883,695	3,954,668	4,249,162	4,424,584	4,646,724	5,082,036	5,066,565	5,297,652
Parks and recreation	1,798,480	2,125,696	2,469,044	2,547,194	2,964,727	2,944,389	3,007,512	3,800,013	5,085,190	5,302,092
Capital outlay	7,244,698	11,861,441	13,860,890	12,968,799	14,346,905	13,564,787	21,668,357	22,933,473	15,634,335	8,127,300
Debt service										
Principal	3,915,343	4,292,586	4,457,300	3,865,893	4,292,991	4,746,995	5,000,112	5,824,456	5,955,959	6,656,245
Interest and fiscal charges	2,131,544	2,099,046	2,534,243	2,163,860	2,801,361	2,914,082	3,510,916	3,435,648	3,269,044	2,941,330
<b>Total Expenditures</b>	<b>31,390,827</b>	<b>39,307,520</b>	<b>46,641,521</b>	<b>38,637,459</b>	<b>43,566,726</b>	<b>43,577,225</b>	<b>53,456,870</b>	<b>57,707,978</b>	<b>52,949,145</b>	<b>46,799,019</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>(64,010)</b>	<b>(6,218,888)</b>	<b>(9,649,813)</b>	<b>(3,155,167)</b>	<b>(556,208)</b>	<b>1,220,179</b>	<b>(8,042,812)</b>	<b>(6,001,513)</b>	<b>(3,195,577)</b>	<b>1,539,443</b>
<b>Other Financing Sources (Uses)</b>										
Transfer in	2,147,890	4,289,093	5,459,969	4,480,636	3,308,061	6,490,754	7,998,372	10,977,888	9,188,689	6,661,307
Transfers out	(2,147,890)	(4,289,093)	(5,459,969)	(4,646,273)	(3,753,161)	(7,069,891)	(10,230,621)	(10,977,888)	(9,188,689)	(6,661,307)
Refunding bonds issued	—	—	—	2,835,000	7,795,000	—	6,405,000	—	—	—
Bonds issued	8,772,941	9,870,256	5,050,000	5,060,000	4,280,000	4,090,000	6,050,000	7,040,000	18,875,000	—
Premium on bonds issued	—	—	—	—	338,200	261,700	105,571	50,337	264,804	248,912
Payments to refunded bonds escrow agent	—	—	—	(3,119,316)	(7,702,323)	—	(6,367,180)	—	(6,455,728)	—
<b>Total Other Financing Sources (Uses)</b>	<b>8,772,941</b>	<b>9,870,256</b>	<b>5,050,000</b>	<b>4,610,047</b>	<b>4,265,777</b>	<b>3,772,563</b>	<b>3,961,142</b>	<b>7,090,337</b>	<b>12,684,076</b>	<b>248,912</b>
<b>Net Changes In Fund Balances</b>	<b>\$ 8,708,931</b>	<b>\$ 3,651,368</b>	<b>\$ (4,599,813)</b>	<b>\$ 1,454,880</b>	<b>\$ 3,709,569</b>	<b>\$ 4,992,742</b>	<b>\$ (4,081,670)</b>	<b>\$ 1,088,824</b>	<b>\$ 9,488,499</b>	<b>\$ 1,788,355</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	<b>25.04%</b>	<b>23.29%</b>	<b>19.79%</b>	<b>22.17%</b>	<b>21.77%</b>	<b>20.80%</b>	<b>22.82%</b>	<b>20.77%</b>	<b>22.63%</b>	<b>22.86%</b>

# CITY OF LEAWOOD, KANSAS

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE<sup>(1)</sup> LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

### Schedule 6

Fiscal Year	Property Tax	City Sales Tax	Transient Guest Tax	Franchise Tax	City Consumers' Use Tax	Total
2000	\$ 9,038,077	\$ 4,115,932	\$ —	\$ 2,126,254	\$ 512,212	\$ 15,792,474
2001	9,772,091	4,589,872	—	2,433,290	508,728	17,303,981
2002	10,681,729	4,434,337	—	2,341,374	555,086	18,012,526
2003	11,591,722	4,694,073	—	2,292,152	1,055,593	19,633,539
2004	13,401,913	5,240,290	—	2,452,403	1,361,623	22,456,229
2005	14,304,471	5,649,000	—	2,632,535	1,249,124	23,835,129
2006	15,424,609	5,830,105	—	2,648,951	1,255,009	25,158,674
2007	16,620,416	7,843,787	—	2,930,764	1,854,563	29,249,530
2008	17,917,885	8,648,719	—	3,153,438	2,032,270	31,752,312
2009	18,508,788	8,414,265	22,610	3,042,295	1,790,237	31,778,195

<sup>(1)</sup> Includes governmental activities as shown in the fund financial statements.

<sup>(2)</sup> In April 2007, the City began collecting a 0.4 cent sales tax for public safety.

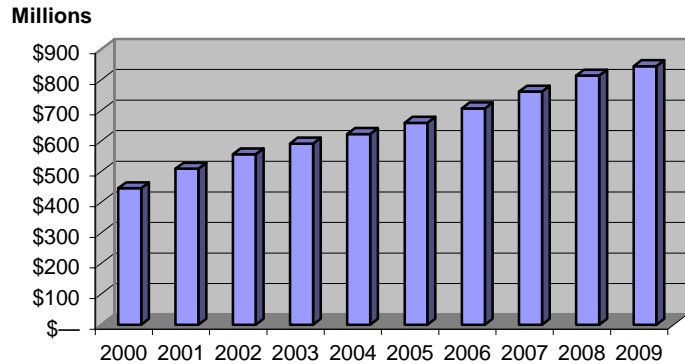
# CITY OF LEAWOOD, KANSAS

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

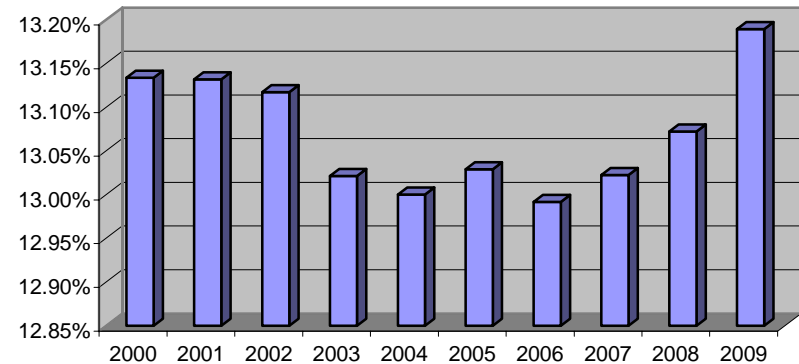
### Schedule 7

Year Ended December 31,	Assessed Value Residential Property	Assessed Value Personal Property	State Assessed Utilities	Total Assessed Value	Assessed Value Motor Vehicles	Assessed Value Recreational Vehicles	Total Equalized Assessed Valuation	Total Direct Tax Rate	Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value (1)	Total Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
2000	\$ 370,034,534	\$ 11,995,333	\$ 6,322,011	\$ 388,351,878	\$ 57,454,109	\$ 83,942	\$ 445,889,929	\$ 23.456	\$ 2,890,539,040	\$ 47,181,630	\$ 19,157,609	\$ 2,956,878,279	13.13%
2001	434,198,518	14,069,163	5,757,847	454,025,528	55,595,022	100,080	509,720,630	21.747	3,384,664,758	55,338,771	17,448,021	3,457,451,550	13.13%
2002	478,263,332	14,964,257	5,847,070	499,074,659	57,647,345	115,437	556,837,441	21.815	3,728,160,425	58,859,411	17,718,394	3,804,738,230	13.12%
2003	508,588,824	16,334,865	6,296,797	531,220,486	60,469,320	129,601	591,819,407	21.820	3,996,269,722	64,250,469	19,081,203	4,079,601,394	13.02%
2004	539,398,377	13,900,623	6,294,133	559,593,133	63,304,016	118,088	623,015,237	24.074	4,230,737,644	54,675,784	19,073,130	4,304,486,558	13.00%
2005	571,882,830	15,239,935	6,864,743	593,987,508	65,756,344	112,840	659,856,692	24.233	4,478,174,979	59,943,744	20,802,252	4,558,920,975	13.03%
2006	615,197,839	15,600,418	7,319,540	638,117,797	68,658,169	133,101	706,909,067	24.218	4,828,211,705	61,361,644	22,180,424	4,911,753,773	12.99%
2007	669,149,548	15,152,446	7,342,923	691,644,917	70,120,907	123,244	761,889,068	24.232	5,229,287,840	59,599,621	22,251,282	5,311,138,743	13.02%
2008	721,902,784	12,883,030	7,609,052	742,394,866	71,270,476	107,168	813,772,510	24.241	5,605,507,724	50,673,251	23,057,733	5,679,238,708	13.07%
2009	756,413,919	10,455,746	7,945,694	774,815,359	70,024,959	116,987	844,957,305	24.259	5,809,307,620	41,125,937	24,077,861	5,874,511,418	13.19%

**Total Equalized Assessed Valuation**



**Ratio of Total Assessed Property Value to Total Estimated Actual Value**



Source: Johnson County Treasurer's Office

(1) Utilities estimated actual value is calculated by dividing the assessed value by 33%.

# CITY OF LEAWOOD, KANSAS

## PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUE) DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

### Schedule 8

Tax/Fiscal Year	City		State Of Kansas	Johnson County	Shawnee	Blue	Johnson	Unified	Johnson County Library	Johnson County Park	Total	Total
	General	Debt Service			Mission School District	Valley School District	County Community College	Johnson County Sewer District			Blue Valley Direct And Overlapping Rates	Shawnee Mission Direct And Overlapping Rates
1999/2000	15.209	8.247	1.500	16.112	41.246	65.597	7.184	5.166	3.137	1.451	123.603	99.252
2000/2001	12.346	9.401	1.500	15.676	40.327	65.689	7.646	4.647	2.981	1.322	121.208	95.846
2001/2002	14.102	7.713	1.500	16.333	38.699	64.216	7.743	4.181	2.971	1.382	120.141	94.624
2002/2003	14.317	7.503	1.500	16.221	42.238	68.588	9.428	—	2.948	1.602	122.107	95.757
2003/2004	13.322	10.752	1.500	16.381	37.774	64.551	9.432	—	2.954	2.365	121.257	94.480
2004/2005	14.763	9.470	1.500	16.041	42.655	64.197	9.438	—	2.956	2.367	120.732	99.190
2005/2006	18.815	5.403	1.500	17.922	49.748	63.329	8.960	—	2.955	2.286	121.170	107.589
2006/2007	14.618	9.614	1.500	17.949	51.980	60.700	8.872	—	2.960	2.290	118.503	109.783
2007/2008	17.424	6.817	1.500	17.985	52.008	59.503	8.749	—	2.962	2.295	117.235	109.740
2008/2009	17.894	6.357	1.500	17.767	52.094	61.127	8.768	—	3.057	2.341	118.811	109.778

Source: Johnson County Clerk's Office

**CITY OF LEAWOOD, KANSAS**

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**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**Schedule 9**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value
Town Center Plaza	\$ 21,543,861	1	2.55%	\$ 16,863,881	1	4.18%
119th Street Development LLC	11,529,661	2	1.36%			1.48%
Park Place Village LLC	9,098,758	3	1.08%			0.00%
95 West, L.P.	7,348,142	4	0.87%	5,955,179	2	1.22%
Hallbrook Office Center	5,540,973	5	0.66%			0.00%
Academy 1740, Inc.	5,524,501	6	0.65%	4,931,552	3	0.70%
PCC Two, LLC	4,404,251	7	0.52%			0.00%
BP Market Square LLC	3,829,828	8	0.45%			0.00%
Kansas City Power & Light	3,680,076	9	0.44%	2,820,996	6	0.00%
96-OP Properties LLC	3,187,751	10	0.38%			0.00%
Northwestern Mutual Life	—		0.00%	3,158,958	4	0.78%
Teacher's Insurance & Annuity	—		0.00%	2,929,501	5	0.73%
Entertainment Properties Trust	—		0.00%	2,695,201	7	0.67%
Ranchmart, Inc.	—		0.00%	2,658,237	8	0.66%
Glenborough Properties, L.P.	—		0.00%	1,920,100	9	0.48%
Wells Fund XI	—		0.00%	1,902,775	10	0.47%
<b>Total Principal Property Taxpayers</b>	<b>\$ 75,687,802</b>		<b>8.96%</b>	<b>\$ 45,836,380</b>		<b>11.36%</b>

Source: Johnson County Clerk's Office

# CITY OF LEAWOOD, KANSAS

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

### Schedule 10

Tax/Fiscal Year	Total Tax Levy	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
1999/2000	\$ 9,085,881	\$ 8,938,484	98.4%	\$ 67,217	\$ 9,005,701	99.1%
2000/2001	9,873,694	9,687,443	98.1%	80,553	9,767,996	98.9%
2001/2002	10,887,313	10,611,435	97.5%	66,501	10,677,936	98.1%
2002/2003	11,591,232	11,374,397	98.1%	183,951	11,558,348	99.7%
2003/2004	13,471,645	13,270,757	98.5%	136,860	13,407,617	99.5%
2004/2005	14,329,935	14,189,005	99.0%	111,053	14,300,058	99.8%
2005/2006	15,425,036	15,277,797	99.0%	141,669	15,419,466	100.0%
2006/2007	16,660,228	16,502,849	99.1%	112,812	16,615,661	99.7%
2007/2008	17,959,445	17,742,463	98.8%	112,409	17,854,873	99.4%
2008/2009	18,692,644	18,360,535	98.2%	98,137	18,458,672	98.7%

1999 Delinquent Tax Collections only include Delinquent Real Estate Taxes. Delinquent Personal collections were distributed January 20, 2001.

2000 Delinquent Tax Collections include Delinquent Personal Property from 1999 and 2000 along with Delinquent Real Estate Taxes for 2000.

Source: Johnson County Treasurer's Office

# CITY OF LEAWOOD, KANSAS

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

### Schedule 11

Fiscal Year	Governmental Activities					Business-Type Activities									
	General Obligation Bonds				Certificates Of Participation	Capital Leases	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage Of Personal Income (1)	Per Capita (1)				
	To Be Paid With														
	Tax Levies	Special Assessments													
2000	\$	28,484,162	\$	6,493,538	330,000	\$	1,534,834	\$	5,482,300	\$	274,695	\$	42,599,529	3.13%	1,540
2001		34,922,800		5,682,600	200,000		1,854,804		5,214,600		200,432		48,075,236	*	1,737
2002		37,037,000		4,948,800	—		1,518,505		4,934,200		184,895		48,623,400	*	1,720
2003		34,877,645		8,645,655	—		1,175,112		4,641,700		249,996		49,590,108	*	1,718
2004		35,805,700		8,757,200	—		944,420		4,507,100		148,840		50,163,260	*	1,702
2005		33,647,403		10,708,697	—		834,225		4,004,230		88,744		49,283,299	*	1,639
2006		40,519,400		9,400,600	—		881,591		—		—		50,801,591	*	1,689
2007		43,069,522		8,595,478	—		712,135		—		—		52,377,135	*	1,708
2008		42,618,193		16,116,807	—		1,429,473		—		—		60,164,473	*	1,885
2009		38,403,000		14,757,000	—		728,227		—		—		53,888,227	*	1,656

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\* Information is not available. This information is compiled every ten years.

(1) Population data can be found in the Schedule of Demographic and Economic Statistics in Schedule 15.

Note: Effective January 1, 2007, the activities of the City's business-type activity will be reported with governmental activities. Accordingly, the debt reported in the business-type activities has been reported with governmental activities debt as of December 31, 2006.

# CITY OF LEAWOOD, KANSAS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

### Schedule 12

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage Of Estimated Actual Taxable Value Of Property (1)	Per Capita (2)
2000	\$ 40,460,000	\$ 2,411,472	\$ 38,048,528	1.29%	1,376
2001	45,820,000	2,476,561	43,343,439	1.25%	1,566
2002	46,920,000	2,489,872	44,430,128	1.17%	1,572
2003	48,165,000	2,912,003	45,252,997	1.11%	1,567
2004	49,070,000	5,239,707	43,830,293	1.02%	1,487
2005	48,360,330	6,945,422	41,414,908	0.91%	1,377
2006	49,920,000	5,922,766	43,997,234	0.90%	1,435
2007	51,665,000	7,822,863	43,842,137	0.83%	1,401
2008	58,735,000	7,977,756	50,757,244	0.89%	1,591
2009	53,160,000	7,604,434	45,555,566	0.78%	1,400

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Schedule 7 for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics in Schedule 15

# CITY OF LEAWOOD, KANSAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT December 31, 2009

### Schedule 13

Governmental Unit	Net Debt Outstanding	Percentage Applicable To City Of Leawood <sup>(2)</sup>	Amount Applicable To City Of Leawood
Johnson County	\$ 253,070,000	9.66%	\$ 24,446,562
Shawnee Mission School District (U.S.D. 512)	249,200,000	5.08%	12,659,360
(U.S.D. 229)	360,875,000	26.40%	95,271,000
Fire District #2	5,070,000	1.51%	76,557
Parks and Recreation	4,030,000	9.66%	389,298
Subtotal, overlapping debt			132,842,777
City of Leawood direct debt <sup>(1)</sup>			53,888,227
Total direct and overlapping debt			\$ 186,731,004

Source: Johnson County Clerk's Office

<sup>(1)</sup> General obligation debt outstanding

<sup>(2)</sup> Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit as of January 1, 2004

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Leawood. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

# CITY OF LEAWOOD, KANSAS

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

### Schedule 14

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 133,275,188	\$ 153,469,075	\$ 166,430,928	\$ 176,694,980	\$ 186,057,454	\$ 197,222,884	\$ 211,196,094	\$ 228,130,856	\$ 244,131,753	\$ 253,487,192
Total net debt applicable to limit	31,554,990	37,660,839	39,481,328	36,607,342	35,073,093	30,706,211	43,997,234	43,842,137	50,757,244	45,555,566
Legal debt margin	101,720,198	115,808,236	126,949,600	140,087,638	150,984,361	166,516,673	167,198,860	184,288,719	193,374,509	207,931,626
Total net debt applicable to the limit as a percentage of debt limit	23.68%	24.54%	23.72%	20.72%	18.85%	15.57%	20.83%	19.22%	20.79%	17.97%

#### Legal Debt Margin Calculation For Fiscal Year 2009

Assessed value, real and personal property - 2009	\$ 774,815,359
Plus assessed value, motor vehicles - 2008	<u>70,141,946</u>
<b>Total Assessed Value - 2009</b>	<u><u>844,957,305</u></u>
<b>Debt Limit (30% Of Total Assessed Value)</b>	<u><u>253,487,192</u></u>
<b>Debt Applicable To Limit</b>	
General obligation bonds	53,160,000
Less: Amount set aside for repayment of general obligation debt	<u>7,604,434</u>
<b>Total Net Debt Applicable To Limit</b>	<u><u>45,555,566</u></u>
<b>Legal Debt Margin</b>	<u><u>\$ 207,931,626</u></u>

Note: In 1997, the Kansas legislature repealed K.S. A. 79-5037, the statute which had governed legal debt limits for municipalities since statewide reappraisal in 1989. Based on this action, the legal general obligation debt limit for most cities in the state, including Leawood, returned to the pre-1989 limit of 30% of equalized assessed valuation. Between 1989 and 1997, K.S.A. 79-5037 adjusted the debt limit to account for the effect of reappraisal. During this period Leawood's debt limit was approximately 15.82% of equalized assessed valuation.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

# CITY OF LEAWOOD, KANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

### Schedule 15

Fiscal Year	Population	Personal Income (1) (Amounts Expressed In Thousands)	Per Capita Personal Income (1)	Median Age (1)	Percent Of Adult Population With At Least A Bachelors Degree	Unemployment Rate (2)
2000	27,656	\$ 1,358,988	\$ 49,139	41.3	68.0%	1.5%
2001	27,670	*	*	*	*	2.5%
2002	28,270	*	*	*	*	2.7%
2003	28,870	*	*	*	*	2.9%
2004	29,470	*	*	*	*	2.5%
2005	30,070	*	*	*	*	2.7%
2006	30,670	*	*	*	*	2.5%
2007	31,284	*	*	*	*	2.6%
2008	31,910 (3)	*	*	*	*	3.4%
2009	32,548	*	*	*	*	4.0%

\* Information is not available. This information is compiled every ten years.

(1) Obtained from U.S. Census Bureau

(2) Obtained from Kansas Department of Human Resources, for the City of Leawood.

(3) Population data from the 2008 Comprehensive Plan.

**CITY OF LEAWOOD, KANSAS**

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**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**Schedule 16**

Employer	2009			2000		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment (1)
CBiZ Accounting	450	1	2.8%			
American Academy of Family Physicians	350	2	2.1%	330	2	2.3%
Unified School District No. 229	329	3	2.0%	320	3	2.3%
Reece & Nichols	314	4	1.9%			
City of Leawood	268	5	1.6%	227	4	1.6%
Weight Watchers	190	6	1.2%			
Headache & Pain Center	149	7	0.9%			
Hy Vee	147	8	0.9%			
A.B. May	125	9	0.8%			
Cosentino's Price Chopper	125	10	0.8%			
Sprint				407	1	2.9%
American Management Association				220	6	1.6%
Jacobson's				225	5	1.6%
Hen House				200	7	1.4%
Galyan's				170	8	1.2%
Root Dental Laboratories				130	9	0.9%
Big Sky Distribution				105	10	0.7%
Total	<u>2,447</u>		<u>15.0%</u>	<u>2,334</u>		<u>16.5%</u>

Sources: Kansas Department of Labor and Leawood Chamber of Commerce

# CITY OF LEAWOOD, KANSAS

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

### Schedule 17

Function	Full-Time Equivalent Employees As Of December 31,									
	2000*	2001*	2002	2003	2004	2005	2006	2007	2008	2009
General government	34.00	36.13	39.25	39.50	40.25	39.94	41.00	47.25	48.25	49.21
Public safety										
Police										
Officers	52.00	52.00	54.00	56.00	56.00	58.00	60.00	61.00	63.00	63.00
Civilians	22.00	23.60	22.60	22.60	22.60	22.60	22.60	22.60	22.00	22.00
Fire										
Firefighters and officers	48.00	52.42	51.69	54.69	54.69	54.69	54.69	54.69	54.69	54.69
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works	52.00	49.00	49.00	50.00	51.00	52.17	52.67	47.42	48.92	50.92
Parks and Recreation	23.00	42.87	43.37	46.13	51.24	56.40	58.99	69.35	72.93	74.81
<b>Total Full-Time Equivalent</b>	<b>232.00</b>	<b>257.02</b>	<b>260.91</b>	<b>269.92</b>	<b>276.78</b>	<b>284.80</b>	<b>290.95</b>	<b>303.31</b>	<b>310.79</b>	<b>315.63</b>

Source: City Budget Manager

\* Full time equivalents were not counted in the totals until 2001.

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## CITY OF LEAWOOD, KANSAS

### OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

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#### Schedule 18

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Number of traffic violations	10,354	16,114	17,498	18,065	14,320	14,586	15,544	14,167	12,744	12,481
Number of physical arrests	788	1,158	1,386	1,572	1,735	1,659	1,704	1,437	1,310	1,771
Number of dispatch calls	30,367	28,146	31,711	34,846	32,861	33,961	36,553	35,446	34,510	35,797
Number of alarm calls	3,750	3,448	3,302	2,632	2,047	1,925	2,496	2,006	2,029	1,826
Fire										
Number of fire calls answered	961	1,108	1,199	1,681	949	1,035	935	1,003	1,021	1,004
Number of ambulance calls answered	1,106	1,042	1,200	1,170	1,223	1,334	1,265	1,324	1,349	1,433
Number of fire inspections	738	655	451	660	738	844	858	904	1,189	1,514
Parks and Recreation										
Number of programs offered	150	150	150	150	150	150	150	150	150	150

Source: Various City departments

# CITY OF LEAWOOD, KANSAS

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

### Schedule 19

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of certified officers	52	52	54	56	56	58	60	61	63	63
Number of noncertified personnel	22	24	23	23	23	23	23	23	22	22
Number of patrol districts	3	3	4	6	3	3	3	3	3	3
Fire										
Number of fire stations	2	2	3	3	3	3	3	3	3	3
Number of paid firefighters	48	51	51	51	51	54	54	54	54	54
Number of volunteer firefighters	2.0	2.0	0.7	0.7	0.7	0.7	0.7	0.7	1	1
Number of nonfire personnel	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	161.00	164.56	172.13	177.60	190.60	189.36	190.58	193.00	197	197
Streetlights	1,278	2,135	2,001	2,497	2,555	2,625	2,721	2,800	2,878	2,887
Parks and Recreation										
Number of parks	6	6	6	6	6	6	6	6	6	6
Park acreage	255	423	423	423	423	423	423	423	423	423
Walking trail mileage	6	6	8	8	8	8	8	8	8	8.25
Aquatic centers	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Soccer fields	14	14	14	14	14	14	14	14	14	14
Baseball diamonds	4	4	4	3	3	3	3	3	3	3

Source: Various City departments